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108TH CONGRESS
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S. 1136

[Report No. 108–197]

To restate, clarify, and revise the Soldiers' and Sailors' Civil Relief Act
of 1940.

IN THE SENATE OF THE UNITED STATES

MAY 22, 2003

Mr. SPECTER (for himself, Mr. BUNNING, and Mr. GRAHAM of South Carolina) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

NOVEMBER 17, 2003

Reported by Mr. SPECTER, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To restate, clarify, and revise the Soldiers' and Sailors' Civil
Relief Act of 1940.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. RESTATEMENT OF ACT.**

2 The Soldiers' and Sailors' Civil Relief Act of 1940
 3 (50 U.S.C. App. 501 et seq.) is amended to read as fol-
 4 lows:

5 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

6 “(a) **SHORT TITLE.**—This Act may be cited as the
 7 ‘Servicemembers Civil Relief Act’.

8 “(b) **TABLE OF CONTENTS.**—The table of contents
 9 of this Act is as follows:

“Sec. 1. Short title; table of contents.

“Sec. 2. Purposes.

“TITLE I—GENERAL PROVISIONS

“Sec. 101. Definitions.

“Sec. 102. Jurisdiction and applicability of Act.

“Sec. 103. Protection of persons secondarily liable.

“Sec. 104. Extension of protections to citizens serving with allied forces.

“Sec. 105. Notification of benefits.

“Sec. 106. Extension of rights and protections to Reserves ordered to report for
 military service and to persons ordered to report for induction.

“Sec. 107. Waiver of rights pursuant to written agreement.

“Sec. 108. Exercise of rights under Act not to affect certain future financial
 transactions.

“Sec. 109. Legal representatives.

“TITLE II—GENERAL RELIEF

“Sec. 201. Protection of servicemembers against default judgments.

“Sec. 202. Stay of proceedings when servicemember defendant has notice.

“Sec. 203. Fines and penalties under contracts.

“Sec. 204. Stay or vacation of execution of judgments, attachments, and gar-
 nishments.

“Sec. 205. Duration and term of stays; codefendants not in service.

“Sec. 206. Statute of limitations.

“Sec. 207. Maximum rate of interest on debts incurred before military service.

**“TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES,
 LIENS, ASSIGNMENT, LEASES.**

“Sec. 301. Evictions and distress.

“Sec. 302. Protection under installment contracts for purchase or lease.

“Sec. 303. Mortgages and trust deeds.

“Sec. 304. Settlement of stayed cases relating to personal property.

“Sec. 305. Termination of leases by lessees.

“Sec. 306. Protection of life insurance policy.

- “Sec. 307. Enforcement of storage liens.
- “Sec. 308. Extension of protections to dependents.

“TITLE IV—INSURANCE

- “Sec. 401. Definitions.
- “Sec. 402. Insurance rights and protections.
- “Sec. 403. Application for insurance protection.
- “Sec. 404. Policies entitled to protection and lapse of policies.
- “Sec. 405. Policy restrictions.
- “Sec. 406. Deduction of unpaid premiums.
- “Sec. 407. Premiums and interest guaranteed by United States.
- “Sec. 408. Regulations.
- “Sec. 409. Review of findings of fact and conclusions of law.

“TITLE V—TAXES AND PUBLIC LANDS

- “Sec. 501. Taxes respecting personal property, money, credits, and real property.
- “Sec. 502. Rights in public lands.
- “Sec. 503. Desert-land entries.
- “Sec. 504. Mining claims.
- “Sec. 505. Mineral permits and leases.
- “Sec. 506. Perfection or defense of rights.
- “Sec. 507. Distribution of information concerning benefits of title.
- “Sec. 508. Land rights of servicemembers.
- “Sec. 509. Regulations.
- “Sec. 510. Income taxes.
- “Sec. 511. Residence for tax purposes.

“TITLE VI—ADMINISTRATIVE REMEDIES

- “Sec. 601. Inappropriate use of Act.
- “Sec. 602. Certificates of service; persons reported missing.
- “Sec. 603. Interlocutory orders.

“TITLE VII—FURTHER RELIEF

- “Sec. 701. Anticipatory relief.
- “Sec. 702. Power of attorney.
- “Sec. 703. Professional liability protection.
- “Sec. 704. Health insurance reinstatement.
- “Sec. 705. Guarantee of residency for military personnel.
- “Sec. 706. Business or trade obligations.
- “Sec. 707. Return to classes at no extra cost.

1 **“SEC. 2. PURPOSES.**

2 “The purposes of this Act are—

3 “(1) to provide for, strengthen, and expedite

4 the national defense through protection extended by

5 this Act to servicemembers of the United States to

1 enable such persons to devote their entire energy to
 2 the defense needs of the Nation; and

3 ~~“(2) to provide for the temporary suspension of~~
 4 ~~judicial and administrative proceedings and trans-~~
 5 ~~actions that may adversely affect the civil rights of~~
 6 ~~servicemembers during their military service.~~

7 **~~“TITLE I—GENERAL PROVISIONS~~**

8 **~~“SEC. 101. DEFINITIONS.~~**

9 ~~“For the purposes of this Act:~~

10 ~~“(1) SERVICEMEMBER.—The term~~
 11 ~~‘servicemember’ means a member of the uniformed~~
 12 ~~services, as that term is defined in section 101(a)(5)~~
 13 ~~of title 10, United States Code.~~

14 ~~“(2) MILITARY SERVICE.—~~

15 ~~“(A) With respect to a member of the~~
 16 ~~Army, Navy, Air Force, Marine Corps, or Coast~~
 17 ~~Guard, the term ‘military service’ means active~~
 18 ~~duty, as that term is defined in section~~
 19 ~~101(d)(1) of title 10, United States Code.~~

20 ~~“(B) Active service of commissioned offi-~~
 21 ~~cers of the Public Health Service or National~~
 22 ~~Oceanic and Atmospheric Administration shall~~
 23 ~~be deemed to be ‘military service’ for the pur-~~
 24 ~~poses of this Act.~~

1 “(C) Service of a member of the National
2 Guard under a call to active service authorized
3 by the President or the Secretary of Defense
4 for a period of more than 30 consecutive days
5 under section 502(f) of title 32, United States
6 Code, for purposes of responding to a national
7 emergency declared by the President and sup-
8 ported by Federal funds shall be deemed to be
9 ‘military service’ for the purposes of this Act.

10 “(3) PERIOD OF MILITARY SERVICE.—The term
11 ‘period of military service’ means the period begin-
12 ning on the date on which a servicemember enters
13 military service and ending on the date on which the
14 servicemember is released from military service or
15 dies while in military service.

16 “(4) DEPENDENT.—The term ‘dependent’, with
17 respect to a servicemember, means—

18 “(A) the servicemember’s spouse;

19 “(B) the servicemember’s child (as defined
20 in section 101(4) of title 38, United States
21 Code); or

22 “(C) an individual for whom the
23 servicemember provided more than one-half of
24 the individual’s support for 180 days imme-

1 diately preceding an application for relief under
2 this Act.

3 ~~“(5) COURT.—The term ‘court’ means a court~~
4 ~~or an administrative agency of the United States or~~
5 ~~of any State (including any political subdivision of a~~
6 ~~State); whether or not a court or administrative~~
7 ~~agency of record.~~

8 ~~“(6) STATE.—The term ‘State’ includes—~~

9 ~~“(A) a commonwealth, territory, or posses-~~
10 ~~sion of the United States; and~~

11 ~~“(B) the District of Columbia.~~

12 ~~“(7) SECRETARY CONCERNED.—The term ‘Sec-~~
13 ~~retary concerned’—~~

14 ~~“(A) with respect to a member of the~~
15 ~~armed forces, has the meaning given that term~~
16 ~~in section 101(a)(9) of title 10, United States~~
17 ~~Code;~~

18 ~~“(B) with respect to a commissioned offi-~~
19 ~~cer of the Public Health Service, means the~~
20 ~~Secretary of Health and Human Services; and~~

21 ~~“(C) with respect to a commissioned offi-~~
22 ~~cer of the National Oceanic and Atmospheric~~
23 ~~Administration, means the Secretary of Com-~~
24 ~~merce.~~

1 “(8) MOTOR VEHICLE.—The term ‘motor vehi-
 2 cle’ has the meaning given that term in section
 3 30102(a)(6) of title 49, United States Code.

4 **“SEC. 102. JURISDICTION AND APPLICABILITY OF ACT.**

5 “(a) JURISDICTION.—This Act applies to—

6 “(1) the United States;

7 “(2) each of the States, including the political
 8 subdivisions thereof; and

9 “(3) all territory subject to the jurisdiction of
 10 the United States.

11 “(b) APPLICABILITY TO PROCEEDINGS.—This Act
 12 applies to any judicial or administrative proceeding com-
 13 menced in any court or agency in any jurisdiction subject
 14 to this Act. This Act does not apply to criminal pro-
 15 ceedings.

16 “(c) COURT IN WHICH APPLICATION MAY BE
 17 MADE.—When under this Act any application is required
 18 to be made to a court in which no proceeding has already
 19 been commenced with respect to the matter, such applica-
 20 tion may be made to any court which would otherwise have
 21 jurisdiction over the matter.

22 **“SEC. 103. PROTECTION OF PERSONS SECONDARILY LIA-
 23 BLE.**

24 “(a) EXTENSION OF PROTECTION WHEN ACTIONS
 25 STAYED, POSTPONED, OR SUSPENDED.—Whenever pur-

1 suant to this Act a court stays, postpones, or suspends
 2 (1) the enforcement of an obligation or liability, (2) the
 3 prosecution of a suit or proceeding, (3) the entry or en-
 4 forcement of an order, writ, judgment, or decree, or (4)
 5 the performance of any other act, the court may likewise
 6 grant such a stay, postponement, or suspension to a sur-
 7 ety, guarantor, endorser, accommodation maker, comaker,
 8 or other person who is or may be primarily or secondarily
 9 subject to the obligation or liability the performance or
 10 enforcement of which is stayed, postponed, or suspended.

11 “(b) VACATION OR SET-ASIDE OF JUDGMENTS.—
 12 When a judgment or decree is vacated or set aside, in
 13 whole or in part, pursuant to this Act, the court may also
 14 set aside or vacate, as the case may be, the judgment or
 15 decree as to a surety, guarantor, endorser, accommodation
 16 maker, comaker, or other person who is or may be pri-
 17 marily or secondarily liable on the contract or liability for
 18 the enforcement of the judgment or decree.

19 “(c) BAIL BOND NOT TO BE ENFORCED DURING
 20 PERIOD OF MILITARY SERVICE.—A court may not enforce
 21 a bail bond during the period of military service of the
 22 principal on the bond when military service prevents the
 23 surety from obtaining the attendance of the principal. The
 24 court may discharge the surety and exonerate the bail, in

1 accordance with principles of equity and justice, during
 2 or after the period of military service of the principal.

3 ~~“(d) WAIVER OF RIGHTS.—~~

4 ~~“(1) WAIVERS NOT PRECLUDED.—This Act~~
 5 ~~does not prevent a waiver in writing by a surety,~~
 6 ~~guarantor, endorser, accommodation maker,~~
 7 ~~comaker, or other person (whether primarily or sec-~~
 8 ~~ondarily liable on an obligation or liability) of the~~
 9 ~~protections provided under subsections (a) and (b).~~
 10 ~~Any such waiver is effective only if it is executed as~~
 11 ~~an instrument separate from the obligation or liabil-~~
 12 ~~ity with respect to which it applies.~~

13 ~~“(2) WAIVER INVALIDATED UPON ENTRANCE~~
 14 ~~TO MILITARY SERVICE.—If a waiver under para-~~
 15 ~~graph (1) is executed by an individual who after the~~
 16 ~~execution of the waiver enters military service, or by~~
 17 ~~a dependent of an individual who after the execution~~
 18 ~~of the waiver enters military service, the waiver is~~
 19 ~~not valid after the beginning of the period of such~~
 20 ~~military service unless the waiver was executed by~~
 21 ~~such individual or dependent during the period spec-~~
 22 ~~ified in section 106.~~

1 **“SEC. 104. EXTENSION OF PROTECTIONS TO CITIZENS**
 2 **SERVING WITH ALLIED FORCES.**

3 “A citizen of the United States who is serving with
 4 the forces of a nation with which the United States is al-
 5 lied in the prosecution of a war or military action is enti-
 6 tled to the relief and protections provided under this Act
 7 if that service with the allied force is similar to military
 8 service as defined in this Act. The relief and protections
 9 provided to such citizen shall terminate on the date of dis-
 10 charge or release from such service.

11 **“SEC. 105. NOTIFICATION OF BENEFITS.**

12 “The Secretary concerned shall ensure that notice of
 13 the benefits accorded by this Act is provided to persons
 14 in military service and to persons entering military service.

15 **“SEC. 106. EXTENSION OF RIGHTS AND PROTECTIONS TO**
 16 **RESERVES ORDERED TO REPORT FOR MILI-**
 17 **TARY SERVICE AND TO PERSONS ORDERED**
 18 **TO REPORT FOR INDUCTION.**

19 “(a) RESERVES ORDERED TO REPORT FOR MILI-
 20 TARY SERVICE.—A member of a reserve component who
 21 is ordered to report for military service is entitled to the
 22 rights and protections of this title and titles II and III
 23 during the period beginning on the date of the member’s
 24 receipt of the order and ending on the date on which the
 25 member reports for military service (or, if the order is re-

1 voked before the member so reports, or the date on which
2 the order is revoked).

3 “(b) ~~PERSONS ORDERED TO REPORT FOR INDUC-~~
4 ~~TION.~~—A person who has been ordered to report for in-
5 duction under the Military Selective Service Act (50
6 U.S.C. App. 451 et seq.) is entitled to the rights and pro-
7 tections provided a servicemember under this title and ti-
8 tles II and III during the period beginning on the date
9 of receipt of the order for induction and ending on the
10 date on which the person reports for induction, on the date
11 on which the order is revoked).

12 **“SEC. 107. WAIVER OF RIGHTS PURSUANT TO WRITTEN**
13 **AGREEMENT.**

14 “(a) ~~IN GENERAL.~~—A servicemember may waive any
15 of the rights and protections provided by this Act. In the
16 case of a waiver that permits an action described in sub-
17 section (b), the waiver is effective only if made pursuant
18 to a written agreement of the parties that is executed dur-
19 ing or after the servicemember’s period of military service.
20 The written agreement shall specify the legal instrument
21 to which the waiver applies and, if the servicemember is
22 not a party to that instrument, the servicemember con-
23 cerned.

1 “(b) ACTIONS REQUIRING WAIVERS IN WRITING.—

2 The requirement in subsection (a) for a written waiver ap-
3 plies to the following:

4 “(1) The modification, termination, or cancella-
5 tion of—

6 “(A) a contract, lease, or bailment; or

7 “(B) an obligation secured by a mortgage,
8 trust, deed, lien, or other security in the nature
9 of a mortgage.

10 “(2) The repossession, retention, foreclosure,
11 sale, forfeiture, or taking possession of property
12 that—

13 “(A) is security for any obligation; or

14 “(B) was purchased or received under a
15 contract, lease, or bailment.

16 “(c) COVERAGE OF PERIODS AFTER ORDERS RE-
17 CEIVED.—For the purposes of this section—

18 “(1) a person to whom section 106 applies shall
19 be considered to be a servicemember; and

20 “(2) the period with respect to such a person
21 specified in subsection (a) or (b), as the case may
22 be, of section 106 shall be considered to be a period
23 of military service.

1 **~~“SEC. 108. EXERCISE OF RIGHTS UNDER ACT NOT TO AF-~~**
 2 **~~FECTION CERTAIN FUTURE FINANCIAL TRANS-~~**
 3 **~~ACTIONS.~~**

4 ~~“Application by a servicemember for, or receipt by~~
 5 ~~a servicemember of, a stay, postponement, or suspension~~
 6 ~~pursuant to this Act in the payment of a tax, fine, penalty,~~
 7 ~~insurance premium, or other civil obligation or liability of~~
 8 ~~that servicemember shall not itself (without regard to~~
 9 ~~other considerations) provide the basis for any of the fol-~~
 10 ~~lowing:~~

11 ~~“(1) A determination by a lender or other per-~~
 12 ~~son that the servicemember is unable to pay the civil~~
 13 ~~obligation or liability in accordance with its terms.~~

14 ~~“(2) With respect to a credit transaction be-~~
 15 ~~tween a creditor and the servicemember—~~

16 ~~“(A) a denial or revocation of credit by the~~
 17 ~~creditor;~~

18 ~~“(B) a change by the creditor in the terms~~
 19 ~~of an existing credit arrangement; or~~

20 ~~“(C) a refusal by the creditor to grant~~
 21 ~~credit to the servicemember in substantially the~~
 22 ~~amount or on substantially the terms requested.~~

23 ~~“(3) An adverse report relating to the credit-~~
 24 ~~worthiness of the servicemember by or to a person~~
 25 ~~engaged in the practice of assembling or evaluating~~
 26 ~~consumer credit information.~~

1 ~~“(4) A refusal by an insurer to insure the~~
 2 ~~servicemember.~~

3 ~~“(5) An annotation in a servicemember’s record~~
 4 ~~by a creditor or a person engaged in the practice of~~
 5 ~~assembling or evaluating consumer credit informa-~~
 6 ~~tion, identifying the servicemember as a member of~~
 7 ~~the National Guard or a reserve component.~~

8 ~~“(6) A change in the terms offered or condi-~~
 9 ~~tions required for the issuance of insurance.~~

10 **~~“SEC. 109. LEGAL REPRESENTATIVES.~~**

11 ~~“(a) REPRESENTATIVE.—A legal representative of a~~
 12 ~~servicemember for purposes of this Act is either of the~~
 13 ~~following:~~

14 ~~“(1) An attorney acting on the behalf of a~~
 15 ~~servicemember.~~

16 ~~“(2) An individual possessing a power of attor-~~
 17 ~~ney.~~

18 ~~“(b) APPLICATION.—Whenever the term~~
 19 ~~‘servicemember’ is used in this Act, such term shall be~~
 20 ~~treated as including a reference to a legal representative~~
 21 ~~of the servicemember.~~

“TITLE II—GENERAL RELIEF

“SEC. 201. PROTECTION OF SERVICEMEMBERS AGAINST DEFAULT JUDGMENTS.

“(a) APPLICABILITY OF SECTION.—This section applies to any civil action or proceeding in which the defendant does not make an appearance.

“(b) AFFIDAVIT REQUIREMENT.—

“(1) PLAINTIFF TO FILE AFFIDAVIT.—In any action or proceeding covered by this section, the court, before entering judgment for the plaintiff, shall require the plaintiff to file with the court an affidavit—

“(A) stating whether or not the defendant is in military service and showing necessary facts to support the affidavit; or

“(B) if the plaintiff is unable to determine whether or not the defendant is in military service, stating that the plaintiff is unable to determine whether or not the defendant is in military service.

“(2) APPOINTMENT OF ATTORNEY TO REPRESENT DEFENDANT IN MILITARY SERVICE.—If in an action covered by this section it appears that the defendant is in military service, the court may not enter a judgment until after the court appoints an

1 attorney to represent the defendant. If an attorney
2 appointed under this section to represent a
3 servicemember cannot locate the servicemember, ac-
4 tions by the attorney in the case shall not waive any
5 defense of the servicemember or otherwise bind the
6 servicemember.

7 “(3) DEFENDANT’S MILITARY STATUS NOT
8 ASCERTAINED BY AFFIDAVIT.—If based upon the af-
9 fidavits filed in such an action, the court is unable
10 to determine whether the defendant is in military
11 service, the court, before entering judgment, may re-
12 quire the plaintiff to file a bond in an amount ap-
13 proved by the court. If the defendant is later found
14 to be in military service, the bond shall be available
15 to indemnify the defendant against any loss or dam-
16 age the defendant may suffer by reason of any judg-
17 ment for the plaintiff against the defendant, should
18 the judgment be set aside in whole or in part. The
19 bond shall remain in effect until expiration of the
20 time for appeal and setting aside of a judgment
21 under applicable Federal or State law or regulation
22 or under any applicable ordinance of a political sub-
23 division of a State. The court may issue such orders
24 or enter such judgments as the court determines

1 necessary to protect the rights of the defendant
2 under this Act.

3 ~~“(4) SATISFACTION OF REQUIREMENT FOR AF-~~
4 FIDAVIT.—The requirement for an affidavit under
5 paragraph (1) may be satisfied by a statement, dec-
6 laration, verification, or certificate, in writing, sub-
7 scribed and certified or declared to be true under
8 penalty of perjury.

9 ~~“(e) PENALTY FOR MAKING OR USING FALSE AFFI-~~
10 DAVIT.—A person who makes or uses an affidavit per-
11 mitted under subsection (b) (or a statement, declaration,
12 verification, or certificate as authorized under subsection
13 (b)(4)) knowing it to be false, shall be fined as provided
14 in title 18, United States Code, imprisoned for not more
15 than one year, or both.

16 ~~“(d) STAY OF PROCEEDINGS.—~~In an action covered
17 by this section in which the defendant is in military serv-
18 ice, the court shall grant a stay of proceedings for a min-
19 imum period of 90 days under this subsection upon appli-
20 cation of counsel, or on the court’s own motion, if the
21 court determines that—

22 ~~“(1) there may be a defense to the action and~~
23 a defense cannot be presented without the presence
24 of the defendant; or

1 “(2) after due diligence, counsel has been un-
 2 able to contact the defendant or otherwise determine
 3 if a meritorious defense exists.

4 “(e) INAPPLICABILITY OF SECTION 202 PROCE-
 5 DURES.—A stay of proceedings under subsection (d) shall
 6 not be controlled by procedures or requirements under sec-
 7 tion 202.

8 “(f) SECTION 202 PROTECTION.—If a servicemember
 9 who is a defendant in an action covered by this section
 10 receives actual notice of the action, the servicemember
 11 may request a stay of proceeding under section 202.

12 “(g) VACATION OR SETTING ASIDE OF DEFAULT
 13 JUDGMENTS.—

14 “(1) AUTHORITY FOR COURT TO VACATE OR
 15 SET ASIDE JUDGMENT.—If a default judgment is en-
 16 tered in an action covered by this section against a
 17 servicemember during the servicemember’s period of
 18 military service (or within 60 days after termination
 19 of or release from such military service), the court
 20 entering the judgment shall, upon application by or
 21 on behalf of the servicemember, reopen the judgment
 22 for the purpose of allowing the servicemember to de-
 23 fend the action if it appears that—

1 “(A) the servicemember was materially af-
 2 fected by reason of that military service in mak-
 3 ing a defense to the action; and

4 “(B) the servicemember has a meritorious
 5 or legal defense to the action or some part of
 6 it.

7 “(2) TIME FOR FILING APPLICATION.—An ap-
 8 plication under this subsection must be filed not
 9 later than 90 days after the date of the termination
 10 of or release from military service.

11 “(h) PROTECTION OF BONA FIDE PURCHASER.—If
 12 a court vacates, sets aside, or reverses a default judgment
 13 against a servicemember and the vacating, setting aside,
 14 or reversing is because of a provision of this Act, that ac-
 15 tion shall not impair a right or title acquired by a bona
 16 fide purchaser for value under the default judgment.

17 **“SEC. 202. STAY OF PROCEEDINGS WHEN SERVICEMEMBER**
 18 **DEFENDANT HAS NOTICE.**

19 “(a) APPLICABILITY OF SECTION.—This section ap-
 20 plies to any civil action or proceeding in which the defend-
 21 ant at the time of filing an application under this sec-
 22 tion—

23 “(1) is in military service or is within 90 days
 24 after termination of or release from military service;
 25 and

1 “(2) has received notice of the action or pro-
2 ceeding.

3 “(b) AUTOMATIC STAY.—

4 “(1) AUTHORITY FOR STAY.—At any stage be-
5 fore final judgment in a civil action or proceeding in
6 which a servicemember described in subsection (a) is
7 a party, the court may on its own motion and shall,
8 upon application by the servicemember, stay the ac-
9 tion for a period of not less than 90 days, if the con-
10 ditions in paragraph (2) are met.

11 “(2) CONDITIONS FOR STAY.—An application
12 for a stay under paragraph (1) shall include the fol-
13 lowing:

14 “(A) A letter or other communication set-
15 ting forth facts stating the manner in which
16 current military duty requirements materially
17 affect the servicemember’s ability to appear and
18 stating a date when the servicemember will be
19 available to appear.

20 “(B) A letter or other communication from
21 the servicemember’s commanding officer stating
22 that the servicemember’s current military duty
23 prevents appearance and that military leave is
24 not authorized for the servicemember at the
25 time of the letter.

1 ~~“(c) APPLICATION NOT A WAIVER OF DEFENSES.—~~

2 An application for a stay by a servicemember or a
3 servicemember’s representative under this section does not
4 constitute an appearance for jurisdictional purposes and
5 does not constitute a waiver of any substantive or proce-
6 dural defense (including a defense relating to lack of per-
7 sonal jurisdiction).

8 ~~“(d) ADDITIONAL STAY.—~~

9 ~~“(1) APPLICATION.—A servicemember who is~~
10 granted a stay of a civil action or proceeding under
11 subsection (b) may apply for an additional stay
12 based on continuing material affect of military duty
13 on the servicemember’s ability to appear. Such an
14 application may be made by the servicemember at
15 the time of the initial application under subsection
16 (b) or when it appears that the servicemember is un-
17 available to prosecute or defend the action. The
18 same information required under subsection (b)(2)
19 shall be included in an application under this sub-
20 section.

21 ~~“(2) APPOINTMENT OF COUNSEL WHEN ADDI-~~
22 TIONAL STAY REFUSED.—If the court refuses to
23 grant an additional stay of proceedings under para-
24 graph (1), the court shall appoint counsel to rep-

1 resent the servicemember in the action or pro-
2 ceeding.

3 ~~“(e) COORDINATION WITH SECTION 201.—A~~
4 servicemember who applies for a stay under this section
5 and is unsuccessful may not seek the protections afforded
6 by section 201.

7 ~~“(f) INAPPLICABILITY TO SECTION 301.—The pro-~~
8 tections of this section do not apply to section 301.

9 **~~“SEC. 203. FINES AND PENALTIES UNDER CONTRACTS.~~**

10 ~~“(a) PROHIBITION OF PENALTIES.—When an action~~
11 for compliance with the terms of a contract is stayed pur-
12 suant to this Act, a penalty shall not accrue for failure
13 to comply with the terms of the contract during the period
14 of the stay.

15 ~~“(b) REDUCTION OR WAIVER OF FINES OR PEN-~~
16 ALTIES.—If a servicemember fails to perform an obliga-
17 tion arising under a contract and a penalty is incurred
18 arising from that nonperformance, a court may reduce or
19 waive the fine or penalty if—

20 ~~“(1) the servicemember was in military service~~
21 at the time the fine or penalty was incurred; and

22 ~~“(2) the ability of the servicemember to per-~~
23 form the obligation was materially affected by such
24 military service.

1 **“SEC. 204. STAY OR VACATION OF EXECUTION OF JUDG-**
 2 **MENTS, ATTACHMENTS, AND GARNISHMENTS.**

3 **“(a) COURT ACTION UPON MATERIAL AFFECT DE-**
 4 **TERMINATION.**—If a servicemember, in the opinion of the
 5 court, is materially affected by reason of military service
 6 in complying with a court judgment or order, the court
 7 may on its own motion and shall on application by the
 8 servicemember—

9 **“(1)** stay the execution of such judgment or
 10 order entered against the servicemember; and

11 **“(2)** vacate or stay an attachment or garnish-
 12 ment of property, money, or debts in the possession
 13 of the servicemember or a third party, whether be-
 14 fore or after such judgment.

15 **“(b) APPLICABILITY.**—This section applies to an ac-
 16 tion or proceeding commenced in a court against a
 17 servicemember before or during the period of the
 18 servicemember’s military service or within 60 days after
 19 such service terminates.

20 **“SEC. 205. DURATION AND TERM OF STAYS; CODEFEND-**
 21 **ANTS NOT IN SERVICE.**

22 **“(a) PERIOD OF STAY.**—A stay of an action, pro-
 23 ceeding, attachment, or execution made pursuant to the
 24 provisions of this Act by a court may be ordered for the
 25 period of military service and 90 days thereafter, or for
 26 any part of that period. The court may set the terms and

1 amounts for such installment payments as is considered
 2 reasonable by the court.

3 ~~“(b) CODEPENDANTS.—If the servicemember is a co-~~
 4 ~~defendant with others who are not in military service and~~
 5 ~~who are not entitled to the relief and protections provided~~
 6 ~~under this Act, the plaintiff may proceed against those~~
 7 ~~other defendants with the approval of the court.~~

8 ~~“(c) INAPPLICABILITY OF SECTION.—This section~~
 9 ~~does not apply to sections 202 and 701.~~

10 **~~“SEC. 206. STATUTE OF LIMITATIONS.~~**

11 ~~“(a) TOLLING OF STATUTES OF LIMITATION DURING~~
 12 ~~MILITARY SERVICE.—The period of a servicemember’s~~
 13 ~~military service may not be included in computing any pe-~~
 14 ~~riod limited by law, regulation, or order for the bringing~~
 15 ~~of any action or proceeding in a court, or in any board,~~
 16 ~~bureau, commission, department, or other agency of a~~
 17 ~~State (or political subdivision of a State) or the United~~
 18 ~~States by or against the servicemember or the~~
 19 ~~servicemember’s heirs, executors, administrators, or as-~~
 20 ~~signs.~~

21 ~~“(b) REDEMPTION OF REAL PROPERTY.—A period~~
 22 ~~of military service may not be included in computing any~~
 23 ~~period provided by law for the redemption of real property~~
 24 ~~sold or forfeited to enforce an obligation, tax, or assess-~~
 25 ~~ment.~~

1 “(c) ~~INAPPLICABILITY TO INTERNAL REVENUE~~
 2 ~~LAWS.~~—This section does not apply to any period of limi-
 3 tation prescribed by or under the internal revenue laws
 4 of the United States.

5 **“SEC. 207. MAXIMUM RATE OF INTEREST ON DEBTS IN-**
 6 **CURRED BEFORE MILITARY SERVICE.**

7 “(a) ~~INTEREST RATE LIMITATION.~~—

8 “(1) ~~6-PERCENT LIMIT.~~—An obligation or liabil-
 9 ity bearing interest at a rate in excess of 6 percent
 10 per year that is incurred by a servicemember, or the
 11 servicemember and the servicemember’s spouse joint-
 12 ly, before the servicemember enters military service
 13 shall not bear interest at a rate in excess of 6 per-
 14 cent per year during the period of military service.

15 “(2) ~~APPLICABILITY TO STUDENT LOANS.~~—
 16 Notwithstanding section 428(d) of the Higher Edu-
 17 cation Act of 1965 (20 U.S.C. 1078(d)), paragraph
 18 (1) applies with respect to an obligation or liability
 19 of a servicemember, or the servicemember and the
 20 servicemember’s spouse jointly, entered into under
 21 the Higher Education Act of 1965 (20 U.S.C. 1001
 22 et seq.)

23 “(3) ~~FORGIVENESS OF INTEREST IN EXCESS OF~~
 24 ~~6 PERCENT.~~—Interest at a rate in excess of 6 per-

cent per year that would otherwise be incurred but for the prohibition in paragraph (1) is forgiven.

~~“(4) PREVENTION OF ACCELERATION OF PRINCIPAL.—~~The amount of any periodic payment due from a servicemember under the terms of the instrument that created an obligation or liability covered by this section shall be reduced by the amount of the interest forgiven under paragraph (3) that is allocable to the period for which such payment is made.

~~“(b) IMPLEMENTATION OF LIMITATION.—~~

~~“(1) WRITTEN NOTICE TO CREDITOR.—~~In order for an obligation or liability of a servicemember to be subject to the interest rate limitation in subsection (a), the servicemember shall provide to the creditor written notice and a copy of the military orders calling the servicemember to military service and any orders further extending military service, not later than 180 days after the date of the servicemember’s termination or release from military service.

~~“(2) LIMITATION EFFECTIVE AS OF DATE OF ORDER TO ACTIVE DUTY.—~~Upon receipt of written notice and a copy of orders calling a servicemember to military service, the creditor shall treat the debt in accordance with subsection (a), effective as of the

1 date on which the servicemember is called to military
2 service.

3 ~~“(c) CREDITOR PROTECTION.—A court may grant a~~
4 ~~creditor relief from the limitations of this section if, in~~
5 ~~the opinion of the court, the ability of the servicemember~~
6 ~~to pay interest upon the obligation or liability at a rate~~
7 ~~in excess of 6 percent per year is not materially affected~~
8 ~~by reason of the servicemember’s military service.~~

9 ~~“(d) INTEREST DEFINED.—As used in this section,~~
10 ~~the term ‘interest’ means simple interest plus service~~
11 ~~charges, renewal charges, fees, or any other charges (ex-~~
12 ~~cept bona fide insurance) with respect to an obligation or~~
13 ~~liability.~~

14 **~~“TITLE III—RENT, INSTALLMENT~~**
15 **~~CONTRACTS, MORTGAGES,~~**
16 **~~LIENS, ASSIGNMENT, LEASES~~**

17 **~~“SEC. 301. EVICTIONS AND DISTRESS.~~**

18 ~~“(a) COURT-ORDERED EVICTION.—Except by court~~
19 ~~order, a landlord (or another person with paramount title)~~
20 ~~may not—~~

21 ~~“(1) evict a servicemember, or the dependents~~
22 ~~of a servicemember, during a period of military serv-~~
23 ~~ice of the servicemember, from premises—~~

24 ~~“(A) that are occupied or intended to be~~
25 ~~occupied primarily as a residence; and~~

1 “(B) for which the monthly rent does not
2 exceed the greater of—

3 “(i) \$1,950; or

4 “(ii) the monthly basic allowance for
5 housing to which the servicemember is en-
6 titled under section 403 of title 37, United
7 States Code; or

8 “(2) subject such premises to a distress during
9 the period of military service.

10 “(b) STAY OF EXECUTION.—

11 “(1) COURT AUTHORITY.—Upon an application
12 for eviction or distress with respect to premises cov-
13 ered by this section, the court may on its own mo-
14 tion and shall, if a request is made by or on behalf
15 of a servicemember whose ability to pay the agreed
16 rent is materially affected by military service—

17 “(A) stay the proceedings for a period of
18 90 days, unless in the opinion of the court, jus-
19 tice and equity require a longer or shorter pe-
20 riod of time; or

21 “(B) adjust the obligation under the lease
22 to preserve the interests of all parties.

23 “(2) RELIEF TO LANDLORD.—If a stay is
24 granted under paragraph (1), the court may grant

1 to the landlord (or other person with paramount
2 title) such relief as equity may require.

3 ~~“(c) PENALTIES.—~~

4 ~~“(1) MISDEMEANOR.—~~Except as provided in
5 subsection (a), a person who knowingly takes part in
6 an eviction or distress described in subsection (a), or
7 who knowingly attempts to do so, shall be fined as
8 provided in title 18, United States Code, imprisoned
9 for not more than one year, or both.

10 ~~“(2) PRESERVATION OF OTHER REMEDIES AND~~
11 ~~RIGHTS.—~~The remedies and rights provided under
12 this section are in addition to and do not preclude
13 any remedy for wrongful conversion (or wrongful
14 eviction) otherwise available under the law to the
15 person claiming relief under this section, including
16 any award for consequential and punitive damages.

17 ~~“(d) RENT ALLOTMENT FROM PAY OF~~
18 ~~SERVICEMEMBER.—~~To the extent required by a court
19 order related to property which is the subject of a court
20 action under this section, the Secretary concerned shall
21 make an allotment from the pay of a servicemember to
22 satisfy the terms of such order, except that any such allot-
23 ment shall be subject to regulations prescribed by the Sec-
24 retary concerned establishing the maximum amount of pay

1 of servicemembers that may be allotted under this sub-
 2 section.

3 “(e) ~~LIMITATION OF APPLICABILITY.~~—Section 202 is
 4 not applicable to this section.

5 **“SEC. 302. PROTECTION UNDER INSTALLMENT CONTRACTS**
 6 **FOR PURCHASE OR LEASE.**

7 “(a) ~~PROTECTION UPON BREACH OF CONTRACT.~~—

8 “(1) ~~PROTECTION AFTER ENTERING MILITARY~~
 9 ~~SERVICE.~~—After a servicemember enters military
 10 service, a contract by the servicemember for—

11 “(A) the purchase of real or personal prop-
 12 erty (including a motor vehicle); or

13 “(B) the lease or bailment of such prop-
 14 erty,

15 may not be rescinded or terminated for a breach of
 16 terms of the contract occurring before or during that
 17 person’s military service; nor may the property be
 18 repossessed for such breach without a court order.

19 “(2) ~~APPLICABILITY.~~—This section applies only
 20 to a contract for which a deposit or installment has
 21 been paid by the servicemember before the
 22 servicemember enters military service.

23 “(b) ~~PENALTIES.~~—

24 “(1) ~~MISDEMEANOR.~~—A person who knowingly
 25 resumes possession of property in violation of sub-

1 section (a), or in violation of section 108, or who
 2 knowingly attempts to do so, shall be fined as pro-
 3 vided in title 18, United States Code, imprisoned for
 4 not more than one year, or both.

5 “(2) PRESERVATION OF OTHER REMEDIES AND
 6 RIGHTS.—The remedies and rights provided under
 7 this section are in addition to and do not preclude
 8 any remedy for wrongful conversion otherwise avail-
 9 able under law to the person claiming relief under
 10 this section, including any award for consequential
 11 and punitive damages.

12 “(e) AUTHORITY OF COURT.—In a hearing based on
 13 this section, the court—

14 “(1) may order repayment to the
 15 servicemember of all or part of the prior install-
 16 ments or deposits as a condition of terminating the
 17 contract and resuming possession of the property;

18 “(2) may, on its own motion, and shall on ap-
 19 plication by a servicemember when the
 20 servicemember’s ability to comply with the contract
 21 is materially affected by military service, stay the
 22 proceedings for a period of time as, in the opinion
 23 of the court, justice and equity require; or

24 “(3) may make other disposition as is equitable
 25 to preserve the interests of all parties.

1 **“SEC. 303. MORTGAGES AND TRUST DEEDS.**

2 ~~“(a) MORTGAGE AS SECURITY.—This section applies~~
 3 ~~only to an obligation on real or personal property owned~~
 4 ~~by a servicemember that—~~

5 ~~“(1) originated before the period of the~~
 6 ~~servicemember’s military service and for which the~~
 7 ~~servicemember is still obligated; and~~

8 ~~“(2) is secured by a mortgage, trust deed, or~~
 9 ~~other security in the nature of a mortgage.~~

10 ~~“(b) STAY OF PROCEEDINGS AND ADJUSTMENT OF~~
 11 ~~OBLIGATION.—In an action filed during, or within 90 days~~
 12 ~~after, a servicemember’s period of military service to en-~~
 13 ~~force an obligation described in subsection (a), the court~~
 14 ~~may after a hearing and on its own motion and shall upon~~
 15 ~~application by a servicemember when the servicemember’s~~
 16 ~~ability to comply with the obligation is materially affected~~
 17 ~~by military service—~~

18 ~~“(1) stay the proceedings for a period of time~~
 19 ~~as justice and equity require, or~~

20 ~~“(2) adjust the obligation to preserve the inter-~~
 21 ~~ests of all parties.~~

22 ~~“(c) SALE OR FORECLOSURE.—A sale, foreclosure, or~~
 23 ~~seizure of property for a breach of an obligation described~~
 24 ~~in subsection (a) shall not be valid if made during, or with-~~
 25 ~~in 90 days after, the period of the servicemember’s mili-~~
 26 ~~tary service except—~~

1 “(1) upon a court order granted before such
2 sale, foreclosure, or seizure with a return made and
3 approved by the court; or

4 “(2) if made pursuant to an agreement as pro-
5 vided in section 108.

6 “(d) PENALTIES.—

7 “(1) MISDEMEANOR.—A person who knowingly
8 makes or causes to be made a sale, foreclosure, or
9 seizure of property that is prohibited by subsection
10 (e), or who knowingly attempts to do so, shall be
11 fined as provided in title 18, United States Code,
12 imprisoned for not more than one year, or both.

13 “(2) PRESERVATION OF OTHER REMEDIES.—
14 The remedies and rights provided under this section
15 are in addition to and do not preclude any remedy
16 for wrongful conversion otherwise available under
17 law to the person claiming relief under this section,
18 including consequential and punitive damages.

19 **“SEC. 304. SETTLEMENT OF STAYED CASES RELATING TO**
20 **PERSONAL PROPERTY.**

21 “(a) APPRAISAL OF PROPERTY.—When a stay is
22 granted pursuant to this Act in a proceeding to foreclose
23 a mortgage on or to repossess personal property, or to re-
24 scind or terminate a contract for the purchase of personal

1 property, the court may appoint three disinterested parties
2 to appraise the property.

3 ~~“(b) EQUITY PAYMENT.—Based on the appraisal,~~
4 ~~and if undue hardship to the servicemember’s dependents~~
5 ~~will not result, the court may order that the amount of~~
6 ~~the servicemember’s equity in the property be paid to the~~
7 ~~servicemember, or the servicemember’s dependents, as a~~
8 ~~condition of foreclosing the mortgage, repossessing the~~
9 ~~property, or rescinding or terminating the contract.~~

10 **~~“SEC. 305. TERMINATION OF LEASES BY LESSEES.~~**

11 ~~“(a) COVERED LEASES OF REAL PROPERTY.—This~~
12 ~~section applies to the lease of premises occupied, or in-~~
13 ~~tended to be occupied, by a servicemember or a~~
14 ~~servicemember’s dependents for a residential, professional,~~
15 ~~business, agricultural, or similar purpose if—~~

16 ~~“(1) the lease is executed by or on behalf of a~~
17 ~~person who thereafter and during the term of the~~
18 ~~lease enters military service; or~~

19 ~~“(2) the servicemember, while in military serv-~~
20 ~~ice, executes a lease and thereafter receives military~~
21 ~~orders for a permanent change of station or to de-~~
22 ~~ploy with a military unit for a period of not less~~
23 ~~than 90 days.~~

24 ~~“(b) COVERED LEASES OF VEHICLES.—This section~~
25 ~~applies to the lease of a motor vehicle used, or intended~~

1 to be used, by a servicemember or a servicemember's de-
 2 pendants if the lease is executed by or on behalf of a per-
 3 son who thereafter and during the term of the lease enters
 4 military service.

5 ~~“(e) NOTICE TO LESSOR.—~~

6 ~~“(1) DELIVERY OF NOTICE.—A lease described~~
 7 ~~in subsection (a) or (b) is terminated when written~~
 8 ~~notice is delivered by the lessee to the lessor (or the~~
 9 ~~lessor's grantee) or to the lessor's agent (or the~~
 10 ~~agent's grantee).~~

11 ~~“(2) TIME FOR NOTICE.—The written notice~~
 12 ~~may be delivered at any time after the lessee's entry~~
 13 ~~into military service or, in the case of a lease de-~~
 14 ~~scribed in subsection (a), the date of the military or-~~
 15 ~~ders for a permanent change of station or to deploy~~
 16 ~~for a period of not less than 90 days.~~

17 ~~“(3) NATURE OF NOTICE.—Delivery may be ac-~~
 18 ~~complished—~~

19 ~~“(A) by hand delivery;~~

20 ~~“(B) by private business carrier; or~~

21 ~~“(C) by placing the written notice in an~~
 22 ~~envelope with sufficient postage and addressed~~
 23 ~~to the lessor (or the lessor's grantee) or to the~~
 24 ~~lessor's agent (or the agent's grantee) and de-~~

1 positing the written notice in the United States
2 mails.

3 ~~“(d) EFFECTIVE DATE OF TERMINATION.—~~

4 ~~“(1) LEASE WITH MONTHLY RENT.—Termination of a lease providing for monthly payment of~~
5 ~~rent shall be effective 30 days after the first date on~~
6 ~~which the next rental payment is due and payable~~
7 ~~after the date on which the notice is delivered.~~

9 ~~“(2) OTHER LEASE.—All other leases terminate~~
10 ~~on the last day of the month following the month in~~
11 ~~which the notice is delivered.~~

12 ~~“(e) ARREARAGES.—Rents or lease amounts unpaid~~
13 ~~for the period preceding termination shall be paid on a~~
14 ~~prorated basis.~~

15 ~~“(f) AMOUNTS PAID IN ADVANCE.—Rents or lease~~
16 ~~amounts paid in advance for a period succeeding termination shall be refunded to the lessee by the lessor (or~~
17 ~~the lessor’s assignee or the assignee’s agent).~~

19 ~~“(g) RELIEF TO LESSOR.—Upon application by the~~
20 ~~lessor to a court before the termination date provided in~~
21 ~~the written notice, relief granted by this section to a~~
22 ~~servicemember may be modified as justice and equity require.~~

24 ~~“(h) PENALTIES.—~~

1 “(1) MISDEMEANOR.—Any person who know-
 2 ingly seizes, holds, or detains the personal effects,
 3 security deposit, or other property of a
 4 servicemember or a servicemember’s dependent who
 5 lawfully terminates a lease covered by this section,
 6 or who knowingly interferes with the removal of such
 7 property from premises covered by such lease, for
 8 the purpose of subjecting or attempting to subject
 9 any of such property to a claim for rent or lease
 10 payments accruing after the date of termination of
 11 such lease, or attempts to do so, shall be fined as
 12 provided in title 18, United States Code, imprisoned
 13 for not more than one year, or both.

14 “(2) PRESERVATION OF OTHER REMEDIES.—
 15 The remedy and rights provided under this section
 16 are in addition to and do not preclude any remedy
 17 for wrongful conversion otherwise available under
 18 law to the person claiming relief under this section,
 19 including any award for consequential or punitive
 20 damages.

21 **“SEC. 306. PROTECTION OF LIFE INSURANCE POLICY.**

22 “(a) ASSIGNMENT OF POLICY PROTECTED.—If a life
 23 insurance policy on the life of a servicemember is assigned
 24 before military service to secure the payment of an obliga-
 25 tion, the assignee of the policy (except the insurer in con-

1 nection with a policy loan) may not exercise, during a pe-
 2 riod of military service of the servicemember or within one
 3 year thereafter, any right or option obtained under the
 4 assignment without a court order.

5 “(b) EXCEPTION.—The prohibition in subsection (a)
 6 shall not apply—

7 “(1) if the assignee has the written consent of
 8 the insured made during the period described in sub-
 9 section (a);

10 “(2) when the premiums on the policy are due
 11 and unpaid; or

12 “(3) upon the death of the insured.

13 “(c) ORDER REFUSED BECAUSE OF MATERIAL AF-
 14 FECT.—A court which receives an application for an order
 15 required under subsection (a) may refuse to grant such
 16 order if the court determines the ability of the
 17 servicemember to comply with the terms of the obligation
 18 is materially affected by military service.

19 “(d) TREATMENT OF GUARANTEED PREMIUMS.—
 20 For purposes of this subsection, premiums guaranteed
 21 under the provisions of title IV shall not be considered
 22 due and unpaid.

23 “(e) PENALTIES.—

24 “(1) MISDEMEANOR.—A person who knowingly
 25 takes an action contrary to this section, or attempts

1 to do so, shall be fined as provided in title 18,
 2 United States Code, imprisoned for not more than
 3 one year, or both.

4 “(2) PRESERVATION OF OTHER REMEDIES.—

5 The remedy and rights provided under this section
 6 are in addition to and do not preclude any remedy
 7 for wrongful conversion otherwise available under
 8 law to the person claiming relief under this section,
 9 including any consequential or punitive damages.

10 **“SEC. 307. ENFORCEMENT OF STORAGE LIENS.**

11 “(a) LIENS.—

12 “(1) LIMITATION ON FORECLOSURE OR EN-
 13 FORCEMENT.—A person holding a lien on the prop-
 14 erty or effects of a servicemember may not, during
 15 any period of military service of the servicemember
 16 and for 90 days thereafter, foreclose or enforce any
 17 lien on such property or effects without a court
 18 order granted before foreclosure or enforcement.

19 “(2) LIEN DEFINED.—For the purposes of
 20 paragraph (1), the term ‘lien’ includes a lien for
 21 storage, repair, or cleaning of the property or effects
 22 of a servicemember or a lien on such property or ef-
 23 fects for any other reason.

24 “(b) STAY OF PROCEEDINGS.—In a proceeding to
 25 foreclose or enforce a lien subject to this section, the court

1 may on its own motion, and shall if requested by a
 2 servicemember whose ability to comply with the obligation
 3 resulting in the proceeding is materially affected by mili-
 4 tary service—

5 “(1) stay the proceeding for a period of time as
 6 justice and equity require; or

7 “(2) adjust the obligation to preserve the inter-
 8 ests of all parties.

9 The provisions of this subsection do not affect the scope
 10 of section 303.

11 ~~“(c) PENALTIES.—~~

12 ~~“(1) MISDEMEANOR.—A person who knowingly~~
 13 ~~takes an action contrary to this section, or attempts~~
 14 ~~to do so, shall be fined as provided in title 18,~~
 15 ~~United States Code, imprisoned for not more than~~
 16 ~~one year, or both.~~

17 ~~“(2) PRESERVATION OF OTHER REMEDIES.—~~

18 ~~The remedy and rights provided under this section~~
 19 ~~are in addition to and do not preclude any remedy~~
 20 ~~for wrongful conversion otherwise available under~~
 21 ~~law to the person claiming relief under this section,~~
 22 ~~including any consequential or punitive damages.~~

23 **“SEC. 308. EXTENSION OF PROTECTIONS TO DEPENDENTS.**

24 ~~“Upon application to a court, a dependent of a~~
 25 ~~servicemember is entitled to the protections of this title~~

1 if the dependent's ability to comply with a lease, contract,
 2 bailment, or other obligation is materially affected by rea-
 3 son of the servicemember's military service.

4 **“TITLE IV—INSURANCE**

5 **“SEC. 401. DEFINITIONS.**

6 “For the purposes of this title:

7 “(1) **POLICY.**—The term ‘policy’ means any
 8 contract for whole, endowment, universal, or term
 9 life insurance, including any benefit in the nature of
 10 such insurance arising out of membership in any
 11 fraternal or beneficial association which—

12 “(A) provides that the insurer may not—

13 “(i) decrease the amount of coverage
 14 or increase the amount of premiums if the
 15 insured is in military service; or

16 “(ii) limit or restrict coverage for any
 17 activity required by military service; and

18 “(B) is in force not less than 180 days be-
 19 fore the date of the insured's entry into military
 20 service and at the time of application under this
 21 title.

22 “(2) **PREMIUM.**—The term ‘premium’ means
 23 the amount specified in an insurance policy to be
 24 paid to keep the policy in force.

1 “(3) **INSURED.**—The term ‘insured’ means a
2 servicemember whose life is insured under a policy.

3 “(4) **INSURER.**—The term ‘insurer’ includes
4 any firm, corporation, partnership, association, or
5 business that is chartered or authorized to provide
6 insurance and issue contracts or policies by the laws
7 of a State or the United States.

8 **“SEC. 402. INSURANCE RIGHTS AND PROTECTIONS.**

9 “(a) **RIGHTS AND PROTECTIONS.**—The rights and
10 protections under this title apply to the insured when the
11 insured, the insured’s designee, or the insured’s bene-
12 ficiary applies in writing for protection under this title;
13 unless the Secretary of Veterans Affairs determines that
14 the insured’s policy is not entitled to protection under this
15 title.

16 “(b) **NOTIFICATION AND APPLICATION.**—The Sec-
17 retary of Veterans Affairs shall notify the Secretary con-
18 cerned of the procedures to be used to apply for the pro-
19 tections provided under this title. The applicant shall send
20 the original application to the insurer and a copy to the
21 Secretary of Veterans Affairs.

22 “(c) **LIMITATION ON AMOUNT.**—The total amount of
23 life insurance coverage protection provided by this title for
24 a servicemember may not exceed \$250,000, or an amount
25 equal to the Servicemember’s Group Life Insurance max-

1 inum limit, whichever is greater, regardless of the number
 2 of policies submitted.

3 **“SEC. 403. APPLICATION FOR INSURANCE PROTECTION.**

4 “(a) APPLICATION PROCEDURE.—An application for
 5 protection under this title shall—

6 “(1) be in writing and signed by the insured,
 7 the insured’s designee, or the insured’s beneficiary,
 8 as the case may be;

9 “(2) identify the policy and the insurer; and

10 “(3) include an acknowledgement that the in-
 11 sured’s rights under the policy are subject to and
 12 modified by the provisions of this title.

13 “(b) ADDITIONAL REQUIREMENTS.—The Secretary
 14 of Veterans Affairs may require additional information
 15 from the applicant, the insured, and the insurer to deter-
 16 mine if the policy is entitled to protection under this title.

17 “(c) NOTICE TO THE SECRETARY BY THE IN-
 18 SURED.—Upon receipt of the application of the insured,
 19 the insurer shall furnish a report concerning the policy
 20 to the Secretary of Veterans Affairs as required by regula-
 21 tions prescribed by the Secretary.

22 “(d) POLICY MODIFICATION.—Upon application for
 23 protection under this title, the insured and the insurer
 24 shall have constructively agreed to any policy modification
 25 necessary to give this title full force and effect.

1 **“SEC. 404. POLICIES ENTITLED TO PROTECTION AND**
 2 **LAPSE OF POLICIES.**

3 “(a) DETERMINATION.—The Secretary of Veterans
 4 Affairs shall determine whether a policy is entitled to pro-
 5 tection under this title and shall notify the insured and
 6 the insurer of that determination.

7 “(b) LAPSE PROTECTION.—A policy that the Sec-
 8 retary determines is entitled to protection under this title
 9 shall not lapse or otherwise terminate or be forfeited for
 10 the nonpayment of a premium, or interest or indebtedness
 11 on a premium, after the date of the application for protec-
 12 tion.

13 “(c) TIME APPLICATION.—The protection provided
 14 by this title applies during the insured’s period of military
 15 service and for a period of two years thereafter.

16 **“SEC. 405. POLICY RESTRICTIONS.**

17 “(a) DIVIDENDS.—While a policy is protected under
 18 this title, a dividend or other monetary benefit under a
 19 policy may not be paid to an insured or used to purchase
 20 dividend additions without the approval of the Secretary
 21 of Veterans Affairs. If such approval is not obtained, the
 22 dividends or benefits shall be added to the value of the
 23 policy to be used as a credit when final settlement is made
 24 with the insurer.

25 “(b) SPECIFIC RESTRICTIONS.—While a policy is
 26 protected under this title, cash value, loan value, with-

1 drawal of dividend accumulation, unearned premiums, or
 2 other value of similar character may not be available to
 3 the insured without the approval of the Secretary. The
 4 right of the insured to change a beneficiary designation
 5 or select an optional settlement for a beneficiary shall not
 6 be affected by the provisions of this title.

7 **“SEC. 406. DEDUCTION OF UNPAID PREMIUMS.**

8 “(a) SETTLEMENT OF PROCEEDS.—If a policy ma-
 9 tures as a result of a servicemember’s death or otherwise
 10 during the period of protection of the policy under this
 11 title, the insurer in making settlement shall deduct from
 12 the insurance proceeds the amount of the unpaid pre-
 13 miums guaranteed under this title, together with interest
 14 due at the rate fixed in the policy for policy loans.

15 “(b) INTEREST RATE.—If the interest rate is not
 16 specifically fixed in the policy, the rate shall be the same
 17 as for policy loans in other policies issued by the insurer
 18 at the time the insured’s policy was issued.

19 “(c) REPORTING REQUIREMENT.—The amount de-
 20 ducted under this section, if any, shall be reported by the
 21 insurer to the Secretary of Veterans Affairs.

22 **“SEC. 407. PREMIUMS AND INTEREST GUARANTEED BY**
 23 **UNITED STATES.**

24 “(a) GUARANTEE OF PREMIUMS AND INTEREST BY
 25 THE UNITED STATES.—

1 “(1) GUARANTEE.—Payment of premiums, and
 2 interest on premiums at the rate specified in section
 3 406, which become due on a policy under the protec-
 4 tion of this title is guaranteed by the United States.
 5 If the amount guaranteed is not paid to the insurer
 6 before the period of insurance protection under this
 7 title expires, the amount due shall be treated by the
 8 insurer as a policy loan on the policy.

9 “(2) POLICY TERMINATION.—If, at the expira-
 10 tion of insurance protection under this title, the cash
 11 surrender value of a policy is less than the amount
 12 due to pay premiums and interest on premiums on
 13 the policy, the policy shall terminate. Upon such ter-
 14 mination, the United States shall pay the insurer the
 15 difference between the amount due and the cash sur-
 16 render value.

17 “(b) RECOVERY FROM INSURED OF AMOUNTS PAID
 18 BY THE UNITED STATES.—

19 “(1) DEBT PAYABLE TO THE UNITED
 20 STATES.—The amount paid by the United States to
 21 an insurer under this title shall be a debt payable
 22 to the United States by the insured on whose policy
 23 payment was made.

24 “(2) COLLECTION.—Such amount may be col-
 25 lected by the United States, either as an offset from

1 any amount due the insured by the United States or
2 as otherwise authorized by law.

3 ~~“(3) DEBT NOT DISCHARGEABLE IN BANK-~~
4 ~~RUPTCY.—Such debt payable to the United States is~~
5 ~~not dischargeable in bankruptcy proceedings.~~

6 ~~“(e) CREDITING OF AMOUNTS RECOVERED.—Any~~
7 ~~amounts received by the United States as repayment of~~
8 ~~debts incurred by an insured under this title shall be cred-~~
9 ~~ited to the appropriation for the payment of claims under~~
10 ~~this title.~~

11 ~~“SEC. 408. REGULATIONS.~~

12 ~~“The Secretary of Veterans Affairs shall prescribe~~
13 ~~regulations for the implementation of this title.~~

14 ~~“SEC. 409. REVIEW OF FINDINGS OF FACT AND CONCLU-~~
15 ~~SIONS OF LAW.~~

16 ~~“The findings of fact and conclusions of law made~~
17 ~~by the Secretary of Veterans Affairs in administering this~~
18 ~~title may be reviewed by the Board of Veterans’ Appeals~~
19 ~~and the United States Court of Appeals for Veterans~~
20 ~~Claims.~~

1 **“TITLE V—TAXES AND PUBLIC**
 2 **LANDS**

3 **“SEC. 501. TAXES RESPECTING PERSONAL PROPERTY,**
 4 **MONEY, CREDITS, AND REAL PROPERTY.**

5 ~~“(a) APPLICATION.—~~This section applies in any case
 6 in which a tax or assessment, whether general or special
 7 (other than a tax on personal income), falls due and re-
 8 mains unpaid before or during a period of military service
 9 with respect to a servicemember’s—

10 ~~“(1) personal property; or~~

11 ~~“(2) real property occupied for dwelling, profes-~~
 12 ~~sional, business, or agricultural purposes by a~~
 13 ~~servicemember or the servicemember’s dependents or~~
 14 ~~employees—~~

15 ~~“(A) before the servicemember’s entry into~~
 16 ~~military service; and~~

17 ~~“(B) during the time the tax or assessment~~
 18 ~~remains unpaid.~~

19 ~~“(b) SALE OF PROPERTY.—~~

20 ~~“(1) LIMITATION ON SALE OF PROPERTY TO~~
 21 ~~ENFORCE TAX ASSESSMENT.—~~Property described in
 22 subsection (a) may not be sold to enforce the collec-
 23 tion of such tax or assessment except by court order
 24 and upon the determination by the court that mili-
 25 tary service does not materially affect the

1 servicemember's ability to pay the unpaid tax or as-
2 sessment.

3 ~~“(2) STAY OF COURT PROCEEDINGS.—A court~~
4 may stay a proceeding to enforce the collection of
5 such tax or assessment, or sale of such property,
6 during a period of military service of the
7 servicemember and for a period not more than 180
8 days after the termination of, or release of the
9 servicemember from, military service.

10 ~~“(c) REDEMPTION.—When property described in sub-~~
11 section (a) is sold or forfeited to enforce the collection of
12 a tax or assessment, a servicemember shall have the right
13 to redeem or commence an action to redeem the
14 servicemember's property during the period of military
15 service or within 180 days after termination of or release
16 from military service. This subsection may not be con-
17 strued to shorten any period provided by the law of a State
18 (including any political subdivision of a State) for redemp-
19 tion.

20 ~~“(d) INTEREST ON TAX OR ASSESSMENT.—Whenever~~
21 a servicemember does not pay a tax or assessment on
22 property described in subsection (a) when due, the amount
23 of the tax or assessment due and unpaid shall bear inter-
24 est until paid at the rate of 6 percent per year. An addi-
25 tional penalty or interest shall not be incurred by reason

1 of nonpayment. A lien for such unpaid tax or assessment
 2 may include interest under this subsection.

3 ~~“(e) JOINT OWNERSHIP APPLICATION.—This section~~
 4 ~~applies to all forms of property described in subsection (a)~~
 5 ~~owned individually by a servicemember or jointly by a~~
 6 ~~servicemember and a dependent or dependents.~~

7 ~~“SEC. 502. RIGHTS IN PUBLIC LANDS.~~

8 ~~“(a) RIGHTS NOT FORFEITED.—The rights of a~~
 9 ~~servicemember to lands owned or controlled by the United~~
 10 ~~States, and initiated or acquired by the servicemember~~
 11 ~~under the laws of the United States (including the mining~~
 12 ~~and mineral leasing laws) before military service, shall not~~
 13 ~~be forfeited or prejudiced as a result of being absent from~~
 14 ~~the land, or by failing to begin or complete any work or~~
 15 ~~improvements to the land, during the period of military~~
 16 ~~service.~~

17 ~~“(b) TEMPORARY SUSPENSION OF PERMITS OR LI-~~
 18 ~~CENSES.—If a permittee or licensee under the Act of June~~
 19 ~~28, 1934 (43 U.S.C. 315 et seq.), enters military service,~~
 20 ~~the permittee or licensee may suspend the permit or li-~~
 21 ~~cense for the period of military service and for 180 days~~
 22 ~~after termination of or release from military service.~~

23 ~~“(c) REGULATIONS.—Regulations prescribed by the~~
 24 ~~Secretary of the Interior shall provide for such suspension~~
 25 ~~of permits and licenses and for the remission, reduction,~~

1 or refund of grazing fees during the period of such suspen-
 2 sion.

3 **~~“SEC. 503. DESERT-LAND ENTRIES.~~**

4 ~~“(a) DESERT-LAND RIGHTS NOT FORFEITED.—A~~
 5 ~~desert-land entry made or held under the desert-land laws~~
 6 ~~before the entrance of the entryman or the entryman’s~~
 7 ~~successor in interest into military service shall not be sub-~~
 8 ~~ject to contest or cancellation—~~

9 ~~“(1) for failure to expend any required amount~~
 10 ~~per acre per year in improvements upon the claim;~~

11 ~~“(2) for failure to effect the reclamation of the~~
 12 ~~claim during the period the entryman or the~~
 13 ~~entryman’s successor in interest is in the military~~
 14 ~~service, or for 180 days after termination of or re-~~
 15 ~~lease from military service; or~~

16 ~~“(3) during any period of hospitalization or re-~~
 17 ~~habilitation due to an injury or disability incurred in~~
 18 ~~the line of duty.~~

19 The time within which the entryman or claimant is re-
 20 quired to make such expenditures and effect reclamation
 21 of the land shall be exclusive of the time periods described
 22 in paragraphs (2) and (3).

23 ~~“(b) SERVICE-RELATED DISABILITY.—If an~~
 24 ~~entryman or claimant is honorably discharged and is un-~~
 25 ~~able to accomplish reclamation of, and payment for, desert~~

1 land due to a disability incurred in the line of duty, the
 2 entryman or claimant may make proof without further
 3 reclamation or payments, under regulations prescribed by
 4 the Secretary of the Interior, and receive a patent for the
 5 land entered or claimed.

6 “(c) FILING REQUIREMENT.—In order to obtain the
 7 protection of this section, the entryman or claimant shall,
 8 within 180 days after entry into military service, cause
 9 to be filed in the land office of the district where the claim
 10 is situated a notice communicating the fact of military
 11 service and the desire to hold the claim under this section.

12 **“SEC. 504. MINING CLAIMS.**

13 “(a) REQUIREMENTS SUSPENDED.—The provisions
 14 of section 2324 of the Revised Statutes of the United
 15 States (30 U.S.C. 28) specified in subsection (b) shall not
 16 apply to a servicemember’s claims or interests in claims,
 17 regularly located and recorded, during a period of military
 18 service and 180 days thereafter, or during any period of
 19 hospitalization or rehabilitation due to injuries or disabili-
 20 ties incurred in the line of duty.

21 “(b) REQUIREMENTS.—The provisions in section
 22 2324 of the Revised Statutes that shall not apply under
 23 subsection (a) are those which require that on each mining
 24 claim located after May 10, 1872, and until a patent has
 25 been issued for such claim, not less than \$100 worth of

1 labor shall be performed or improvements made during
2 each year.

3 “(c) ~~PERIOD OF PROTECTION FROM FORFEITURE.—~~

4 A mining claim or an interest in a claim owned by a
5 servicemember that has been regularly located and re-
6 corded shall not be subject to forfeiture for nonperform-
7 ance of annual assessments during the period of military
8 service and for 180 days thereafter, or for any period of
9 hospitalization or rehabilitation described in subsection
10 (a).

11 “(d) ~~FILING REQUIREMENT.—~~In order to obtain the
12 protections of this section, the claimant of a mining loca-
13 tion shall, before the end of the assessment year in which
14 military service is begun or within 60 days after the end
15 of such assessment year, cause to be filed in the office
16 where the location notice or certificate is recorded a notice
17 communicating the fact of military service and the desire
18 to hold the mining claim under this section.

19 **“SEC. 505. MINERAL PERMITS AND LEASES.**

20 “(a) ~~SUSPENSION DURING MILITARY SERVICE.—~~A

21 person holding a permit or lease on the public domain
22 under the Federal mineral leasing laws who enters mili-
23 tary service may suspend all operations under the permit
24 or lease for the duration of military service and for 180
25 days thereafter. The term of the permit or lease shall not

1 run during the period of suspension, nor shall any rental
 2 or royalties be charged against the permit or lease during
 3 the period of suspension.

4 “(b) NOTIFICATION.—In order to obtain the protec-
 5 tion of this section, the permittee or lessee shall, within
 6 180 days after entry into military service, notify the Sec-
 7 retary of the Interior by registered mail of the fact that
 8 military service has begun and of the desire to hold the
 9 claim under this section.

10 “(c) CONTRACT MODIFICATION.—This section shall
 11 not be construed to supersede the terms of any contract
 12 for operation of a permit or lease.

13 **“SEC. 506. PERFECTION OR DEFENSE OF RIGHTS.**

14 “(a) RIGHT TO TAKE ACTION NOT AFFECTED.—
 15 This title shall not affect the right of a servicemember to
 16 take action during a period of military service that is au-
 17 thorized by law or regulations of the Department of the
 18 Interior, for the perfection, defense, or further assertion
 19 of rights initiated or acquired before entering military
 20 service.

21 “(b) AFFIDAVITS AND PROOFS.—

22 “(1) IN GENERAL.—A servicemember during a
 23 period of military service may make any affidavit or
 24 submit any proof required by law, practice, or regu-
 25 lation of the Department of the Interior in connec-

1 tion with the entry, perfection, defense, or further
 2 assertion of rights initiated or acquired before enter-
 3 ing military service before an officer authorized to
 4 provide notary services under section 1044a of title
 5 10, United States Code, or any superior commis-
 6 sioned officer.

7 “(2) **LEGAL STATUS OF AFFIDAVITS.**—Such af-
 8 fidavits shall be binding in law and subject to the
 9 same penalties as prescribed by section 1001 of title
 10 18, United State Code.

11 **“SEC. 507. DISTRIBUTION OF INFORMATION CONCERNING**
 12 **BENEFITS OF TITLE.**

13 “(a) **DISTRIBUTION OF INFORMATION BY SEC-**
 14 **RETARY CONCERNED.**—The Secretary concerned shall
 15 issue to servicemembers information explaining the provi-
 16 sions of this title.

17 “(b) **APPLICATION FORMS.**—The Secretary con-
 18 cerned shall provide application forms to servicemembers
 19 requesting relief under this title.

20 “(c) **INFORMATION FROM SECRETARY OF THE INTE-**
 21 **RIOR.**—The Secretary of the Interior shall furnish to the
 22 Secretary concerned information explaining the provisions
 23 of this title (other than sections 501, 510, and 511) and
 24 related application forms.

1 **“SEC. 508. LAND RIGHTS OF SERVICEMEMBERS.**

2 “(a) **NO AGE LIMITATIONS.**—Any servicemember
3 under the age of 21 in military service shall be entitled
4 to the same rights under the laws relating to lands owned
5 or controlled by the United States, including mining and
6 mineral leasing laws, as those servicemembers who are 21
7 years of age.

8 “(b) **RESIDENCY REQUIREMENT.**—Any requirement
9 related to the establishment of a residence within a limited
10 time shall be suspended as to entry by a servicemember
11 in military service until 180 days after termination of or
12 release from military service.

13 “(c) **ENTRY APPLICATIONS.**—Applications for entry
14 may be verified before a person authorized to administer
15 oaths under section 1044a of title 10, United States Code,
16 or under the laws of the State where the land is situated.

17 **“SEC. 509. REGULATIONS.**

18 “‘The Secretary of the Interior may issue regulations
19 necessary to carry out this title (other than sections 501,
20 510, and 511).’

21 **“SEC. 510. INCOME TAXES.**

22 “(a) **DEFERRAL OF TAX.**—Upon notice to the Inter-
23 nal Revenue Service or the tax authority of a State or
24 a political subdivision of a State, the collection of income
25 tax on the income of a servicemember falling due before
26 or during military service shall be deferred for a period

1 not more than 180 days after termination of or release
 2 from military service, if a servicemember's ability to pay
 3 such income tax is materially affected by military service.

4 “(b) ACCRUAL OF INTEREST OR PENALTY.—No in-
 5 terest or penalty shall accrue for the period of deferment
 6 by reason of nonpayment on any amount of tax deferred
 7 under this section.

8 “(c) STATUTE OF LIMITATIONS.—The running of a
 9 statute of limitations against the collection of tax deferred
 10 under this section, by seizure or otherwise, shall be sus-
 11 pended for the period of military service of the
 12 servicemember and for an additional period of 270 days
 13 thereafter.

14 “(d) APPLICATION LIMITATION.—This section shall
 15 not apply to the tax imposed on employees by section 3101
 16 of the Internal Revenue Code of 1986.

17 **“SEC. 511. RESIDENCE FOR TAX PURPOSES.**

18 “(a) RESIDENCE OR DOMICILE.—A servicemember
 19 shall neither lose nor acquire a residence or domicile for
 20 purposes of taxation with respect to the person, personal
 21 property, or income of the servicemember by reason of
 22 being absent or present in any tax jurisdiction of the
 23 United States solely in compliance with military orders.

24 “(b) MILITARY SERVICE COMPENSATION.—Com-
 25 pensation of a servicemember for military service shall not

1 be deemed to be income for services performed or from
 2 sources within a tax jurisdiction of the United States if
 3 the servicemember is not a resident or domiciliary of the
 4 jurisdiction in which the servicemember is serving in com-
 5 pliance with military orders.

6 “(c) PERSONAL PROPERTY.—

7 “(1) RELIEF FROM PERSONAL PROPERTY
 8 TAXES.—The personal property of a servicemember
 9 shall not be deemed to be located or present in, or
 10 to have a situs for taxation in, the tax jurisdiction
 11 in which the servicemember is serving in compliance
 12 with military orders.

13 “(2) EXCEPTION FOR PROPERTY WITHIN MEM-
 14 BER’S DOMICILE OR RESIDENCE.—This subsection
 15 applies to personal property or its use within any tax
 16 jurisdiction other than the servicemember’s domicile
 17 or residence.

18 “(3) EXCEPTION FOR PROPERTY USED IN
 19 TRADE OR BUSINESS.—This section does not prevent
 20 taxation by a tax jurisdiction with respect to per-
 21 sonal property used in or arising from a trade or
 22 business, if it has jurisdiction.

23 “(4) RELATIONSHIP TO LAW OF STATE OF
 24 DOMICILE.—Eligibility for relief from personal prop-
 25 erty taxes under this subsection is not contingent on

1 whether or not such taxes are paid to the State of
2 domicile.

3 “(d) INCREASE OF TAX LIABILITY.—A tax jurisdic-
4 tion may not use the military compensation of a non-
5 resident servicemember to increase the tax liability im-
6 posed on other income earned by the nonresident
7 servicemember or spouse subject to tax by the jurisdiction.

8 “(e) FEDERAL INDIAN RESERVATIONS.—An Indian
9 servicemember whose legal residence or domicile is a Fed-
10 eral Indian reservation shall be taxed by the laws applica-
11 ble to Federal Indian reservations and not the State where
12 the reservation is located.

13 “(f) DEFINITIONS.—For purposes of this section:

14 “(1) PERSONAL PROPERTY.—The term ‘per-
15 sonal property’ means intangible and tangible prop-
16 erty (including motor vehicles).

17 “(2) TAXATION.—The term ‘taxation’ includes
18 licenses, fees, or excises imposed with respect to
19 motor vehicles and their use, if the license, fee, or
20 excise is paid by the servicemember in the
21 servicemember’s State of domicile or residence.

22 “(3) TAX JURISDICTION.—The term ‘tax juris-
23 diction’ means a State or a political subdivision of
24 a State.

1 **“TITLE VI—ADMINISTRATIVE**
 2 **REMEDIES**

3 **“SEC. 601. INAPPROPRIATE USE OF ACT.**

4 “~~If a court determines, in any proceeding to enforce~~
 5 ~~a civil right, that any interest, property, or contract has~~
 6 ~~been transferred or acquired with the intent to delay the~~
 7 ~~just enforcement of such right by taking advantage of this~~
 8 ~~Act, the court shall enter such judgment or make such~~
 9 ~~order as might lawfully be entered or made concerning~~
 10 ~~such transfer or acquisition.~~

11 **“SEC. 602. CERTIFICATES OF SERVICE; PERSONS RE-**
 12 **PORTED MISSING.**

13 “~~(a) PRIMA FACIE EVIDENCE.—In any proceeding~~
 14 ~~under this Act, a certificate signed by the Secretary con-~~
 15 ~~cerned is prima facie evidence as to any of the following~~
 16 ~~facts stated in the certificate:~~

17 “~~(1) That a person named is, is not, has been,~~
 18 ~~or has not been in military service.~~

19 “~~(2) The time and the place the person entered~~
 20 ~~military service.~~

21 “~~(3) The person’s residence at the time the per-~~
 22 ~~son entered military service.~~

23 “~~(4) The rank, branch, and unit of military~~
 24 ~~service of the person upon entry.~~

1 ~~“(5) The inclusive dates of the person’s military~~
 2 ~~service.~~

3 ~~“(6) The monthly pay received by the person at~~
 4 ~~the date of the certificate’s issuance.~~

5 ~~“(7) The time and place of the person’s termi-~~
 6 ~~nation of or release from military service; or the per-~~
 7 ~~son’s death during military service.~~

8 ~~“(b) CERTIFICATES.—The Secretary concerned shall~~
 9 ~~furnish a certificate under subsection (a) upon receipt of~~
 10 ~~an application for such a certificate. A certificate appear-~~
 11 ~~ing to be signed by the Secretary concerned is prima facie~~
 12 ~~evidence of its contents and of the signer’s authority to~~
 13 ~~issue it.~~

14 ~~“(c) TREATMENT OF SERVICEMEMBERS IN MISSING~~
 15 ~~STATUS.—A servicemember who has been reported miss-~~
 16 ~~ing is presumed to continue in service until accounted for.~~
 17 ~~A requirement under this Act that begins or ends with~~
 18 ~~the death of a servicemember does not begin or end until~~
 19 ~~the servicemember’s death is reported to, or determined~~
 20 ~~by, the Secretary concerned or by a court of competent~~
 21 ~~jurisdiction.~~

22 ~~**“SEC. 603. INTERLOCUTORY ORDERS.**~~

23 ~~“An interlocutory order issued by a court under this~~
 24 ~~Act may be revoked, modified, or extended by the court~~

1 upon its own motion or otherwise, upon notification to af-
 2 fected parties as required by the court.

3 **“TITLE VII—FURTHER RELIEF**

4 **“SEC. 701. ANTICIPATORY RELIEF.**

5 “(a) APPLICATION FOR RELIEF.—A servicemember
 6 may, during military service or within 180 days of termi-
 7 nation of or release from military service, apply to a court
 8 for relief—

9 “(1) from any obligation or liability incurred by
 10 the servicemember before the servicemember’s mili-
 11 tary service; or

12 “(2) from a tax or assessment falling due be-
 13 fore or during the servicemember’s military service.

14 “(b) TAX LIABILITY OR ASSESSMENT.—In a case
 15 covered by subsection (a), the court may, if the ability of
 16 the servicemember to comply with the terms of such obli-
 17 gation or liability or pay such tax or assessment has been
 18 materially affected by reason of military service, after ap-
 19 propriate notice and hearing, grant the following relief:

20 “(1) STAY OF ENFORCEMENT OF REAL ESTATE
 21 CONTRACTS.—

22 “(A) In the case of an obligation payable
 23 in installments under a contract for the pur-
 24 chase of real estate, or secured by a mortgage
 25 or other instrument in the nature of a mortgage

1 upon real estate, the court may grant a stay of
2 the enforcement of the obligation—

3 “(i) during the servicemember’s period
4 of military service; and

5 “(ii) from the date of termination of
6 or release from military service; or from
7 the date of application if made after termi-
8 nation of or release from military service.

9 “(B) Any stay under this paragraph shall
10 be—

11 “(i) for a period equal to the remain-
12 ing life of the installment contract or other
13 instrument, plus a period of time equal to
14 the period of military service of the
15 servicemember, or any part of such com-
16 bined period; and

17 “(ii) subject to payment of the bal-
18 ance of the principal and accumulated in-
19 terest due and unpaid at the date of termi-
20 nation or release from the applicant’s mili-
21 tary service or from the date of application
22 in equal installments during the combined
23 period at the rate of interest on the unpaid
24 balance prescribed in the contract or other

1 instrument evidencing the obligation, and
 2 subject to other terms as may be equitable.

3 ~~“(2) STAY OF ENFORCEMENT OF OTHER CON-~~
 4 ~~TRACTS.—~~

5 ~~“(A) In the case of any other obligation, li-~~
 6 ~~ability, tax, or assessment, the court may grant~~
 7 ~~a stay of enforcement—~~

8 ~~“(i) during the servicemember’s mili-~~
 9 ~~tary service; and~~

10 ~~“(ii) from the date of termination of~~
 11 ~~or release from military service, or from~~
 12 ~~the date of application if made after termi-~~
 13 ~~nation or release from military service.~~

14 ~~“(B) Any stay under this paragraph shall~~
 15 ~~be—~~

16 ~~“(i) for a period of time equal to the~~
 17 ~~period of the servicemember’s military~~
 18 ~~service or any part of such period; and~~

19 ~~“(ii) subject to payment of the bal-~~
 20 ~~ance of principal and accumulated interest~~
 21 ~~due and unpaid at the date of termination~~
 22 ~~or release from military service, or the date~~
 23 ~~of application, in equal periodic install-~~
 24 ~~ments during this extended period at the~~
 25 ~~rate of interest as may be prescribed for~~

1 this obligation, liability, tax, or assessment,
 2 if paid when due, and subject to other
 3 terms as may be equitable.

4 ~~“(c) AFFECT OF STAY ON FINE OR PENALTY.—~~

5 When a court grants a stay under this section, a fine or
 6 penalty shall not accrue on the obligation, liability, tax,
 7 or assessment for the period of compliance with the terms
 8 and conditions of the stay.

9 ~~“SEC. 702. POWER OF ATTORNEY.~~

10 ~~“(a) AUTOMATIC EXTENSION.—A power of attorney~~
 11 of a servicemember shall be automatically extended for the
 12 period the servicemember is in a missing status (as de-
 13 fined in section 551(2) of title 37, United States Code)
 14 if the power of attorney—

15 ~~“(1) was duly executed by the servicemember—~~

16 ~~“(A) while in military service; or~~

17 ~~“(B) before entry into military service but~~
 18 after the servicemember—

19 ~~“(i) received a call or order to report~~
 20 for military service; or

21 ~~“(ii) was notified by an official of the~~
 22 Department of Defense that the person
 23 could receive a call or order to report for
 24 military service;

1 “(2) designates the servicemember’s spouse;
 2 parent, or other named relative as the
 3 servicemember’s attorney in fact for certain, speci-
 4 fied, or all purposes; and

5 “(3) expires by its terms after the
 6 servicemember entered a missing status.

7 “(b) LIMITATION ON POWER OF ATTORNEY EXTEN-
 8 SION.—A power of attorney executed by a servicemember
 9 may not be extended under subsection (a) if the document
 10 by its terms clearly indicates that the power granted ex-
 11 pires on the date specified even though the servicemember,
 12 after the date of execution of the document, enters a miss-
 13 ing status.

14 **“SEC. 703. PROFESSIONAL LIABILITY PROTECTION.**

15 “(a) APPLICABILITY.—This section applies to a
 16 servicemember who—

17 “(1) after July 31, 1990, is ordered to active
 18 duty (other than for training) pursuant to sections
 19 688, 12301(a), 12301(g), 12302, 12304, 12306, or
 20 12307 of title 10, United States Code, or who is or-
 21 dered to active duty under section 12301(d) of such
 22 title during a period when members are on active
 23 duty pursuant to any of the preceding sections; and

24 “(2) immediately before receiving the order to
 25 active duty—

1 “(A) was engaged in the furnishing of
 2 health-care or legal services or other services
 3 determined by the Secretary of Defense to be
 4 professional services; and

5 “(B) had in effect a professional liability
 6 insurance policy that does not continue to cover
 7 claims filed with respect to the servicemember
 8 during the period of the servicemember’s active
 9 duty unless the premiums are paid for such cov-
 10 erage for such period.

11 ~~“(b) SUSPENSION OF COVERAGE.—~~

12 ~~“(1) SUSPENSION.—Coverage of a~~
 13 servicemember referred to in subsection (a) by a
 14 professional liability insurance policy shall be sus-
 15 pended by the insurance carrier in accordance with
 16 this subsection upon receipt of a written request
 17 from the servicemember, or the servicemember’s
 18 legal representative, by the insurance carrier.

19 ~~“(2) PREMIUMS FOR SUSPENDED CON-~~
 20 TRACTS.—A professional liability insurance carrier—

21 ~~“(A) may not require that premiums be~~
 22 paid by or on behalf of a servicemember for any
 23 professional liability insurance coverage sus-
 24 pended pursuant to paragraph (1); and

1 ~~“(B) shall refund any amount paid for cov-~~
2 ~~erage for the period of such suspension or, upon~~
3 ~~the election of such servicemember, apply such~~
4 ~~amount for the payment of any premium be-~~
5 ~~coming due upon the reinstatement of such cov-~~
6 ~~erage.~~

7 ~~“(3) NONLIABILITY OF CARRIER DURING SUS-~~
8 ~~PENSION.—A professional liability insurance carrier~~
9 ~~shall not be liable with respect to any claim that is~~
10 ~~based on professional conduct (including any failure~~
11 ~~to take any action in a professional capacity) of a~~
12 ~~servicemember that occurs during a period of sus-~~
13 ~~pension of that servicemember’s professional liability~~
14 ~~insurance under this subsection.~~

15 ~~“(4) CERTAIN CLAIMS CONSIDERED TO ARISE~~
16 ~~BEFORE SUSPENSION.—For the purposes of para-~~
17 ~~graph (3), a claim based upon the failure of a pro-~~
18 ~~fessional to make adequate provision for a patient,~~
19 ~~client, or other person to receive professional serv-~~
20 ~~ices or other assistance during the period of the pro-~~
21 ~~fessional’s active duty service shall be considered to~~
22 ~~be based on an action or failure to take action before~~
23 ~~the beginning of the period of the suspension of pro-~~
24 ~~fessional liability insurance under this subsection,~~
25 ~~except in a case in which professional services were~~

1 provided after the date of the beginning of such pe-
2 riod.

3 ~~“(c) REINSTATEMENT OF COVERAGE.—~~

4 ~~“(1) REINSTATEMENT REQUIRED.—~~Profes-
5 sional liability insurance coverage suspended in the
6 ease of any servicemember pursuant to subsection
7 (b) shall be reinstated by the insurance carrier on
8 the date on which that servicemember transmits to
9 the insurance carrier a written request for reinstate-
10 ment.

11 ~~“(2) TIME AND PREMIUM FOR REINSTATE-~~
12 ~~MENT.—~~The request of a servicemember for reim-
13 statement shall be effective only if the
14 servicemember transmits the request to the insur-
15 ance carrier within 30 days after the date on which
16 the servicemember is released from active duty. The
17 insurance carrier shall notify the servicemember of
18 the due date for payment of the premium of such in-
19 surance. Such premium shall be paid by the
20 servicemember within 30 days after receipt of that
21 notice.

22 ~~“(3) PERIOD OF REINSTATED COVERAGE.—~~The
23 period for which professional liability insurance cov-
24 erage shall be reinstated for a servicemember under
25 this subsection may not be less than the balance of

1 the period for which coverage would have continued
2 under the insurance policy if the coverage had not
3 been suspended.

4 “(d) INCREASE IN PREMIUM.—

5 “(1) LIMITATION ON PREMIUM INCREASES.—

6 An insurance carrier may not increase the amount
7 of the premium charged for professional liability in-
8 surance coverage of any servicemember for the min-
9 imum period of the reinstatement of such coverage
10 required under subsection (c)(3) to an amount
11 greater than the amount chargeable for such cov-
12 erage for such period before the suspension.

13 “(2) EXCEPTION.—Paragraph (1) does not pre-
14 vent an increase in premium to the extent of any
15 general increase in the premiums charged by that
16 carrier for the same professional liability coverage
17 for persons similarly covered by such insurance dur-
18 ing the period of the suspension.

19 “(e) CONTINUATION OF COVERAGE OF UNAFFECTED
20 PERSONS.—This section does not—

21 “(1) require a suspension of professional liabil-
22 ity insurance protection for any person who is not a
23 person referred to in subsection (a) and who is cov-
24 ered by the same professional liability insurance as
25 a person referred to in such subsection; or

1 ~~“(2) relieve any person of the obligation to pay~~
 2 ~~premiums for the coverage not required to be sus-~~
 3 ~~pended.~~

4 ~~“(f) STAY OF CIVIL OR ADMINISTRATIVE ACTIONS.—~~

5 ~~“(1) STAY OF ACTIONS.—A civil or administra-~~
 6 ~~tive action for damages on the basis of the alleged~~
 7 ~~professional negligence or other professional liability~~
 8 ~~of a servicemember whose professional liability in-~~
 9 ~~surance coverage has been suspended under sub-~~
 10 ~~section (b) shall be stayed until the end of the period~~
 11 ~~of the suspension if—~~

12 ~~“(A) the action was commenced during the~~
 13 ~~period of the suspension;~~

14 ~~“(B) the action is based on an act or omis-~~
 15 ~~sion that occurred before the date on which the~~
 16 ~~suspension became effective; and~~

17 ~~“(C) the suspended professional liability~~
 18 ~~insurance would, except for the suspension, on~~
 19 ~~its face cover the alleged professional negligence~~
 20 ~~or other professional liability negligence or~~
 21 ~~other professional liability of the~~
 22 ~~servicemember.~~

23 ~~“(2) DATE OF COMMENCEMENT OF ACTION.—~~

24 ~~Whenever a civil or administrative action for dam-~~
 25 ~~ages is stayed under paragraph (1) in the case of~~

1 any servicemember, the action shall have been
 2 deemed to have been filed on the date on which the
 3 professional liability insurance coverage of the
 4 servicemember is reinstated under subsection (c).

5 ~~“(g) EFFECT OF SUSPENSION UPON LIMITATIONS~~
 6 ~~PERIOD.~~—In the case of a civil or administrative action
 7 for which a stay could have been granted under subsection
 8 (f) by reason of the suspension of professional liability in-
 9 surance coverage of the defendant under this section, the
 10 period of the suspension of the coverage shall be excluded
 11 from the computation of any statutory period of limitation
 12 on the commencement of such action.

13 ~~“(h) DEATH DURING PERIOD OF SUSPENSION.~~—If
 14 a servicemember whose professional liability insurance
 15 coverage is suspended under subsection (b) dies during the
 16 period of the suspension—

17 ~~“(1) the requirement for the grant or continu-~~
 18 ~~ance of a stay in any civil or administrative action~~
 19 ~~against such servicemember under subsection (f)(1)~~
 20 ~~shall terminate on the date of the death of such~~
 21 ~~servicemember; and~~

22 ~~“(2) the carrier of the professional liability in-~~
 23 ~~surance so suspended shall be liable for any claim~~
 24 ~~for damages for professional negligence or other pro-~~
 25 ~~fessional liability of the deceased servicemember in~~

1 the same manner and to the same extent as such
 2 carrier would be liable if the servicemember had died
 3 while covered by such insurance but before the claim
 4 was filed.

5 “(i) DEFINITIONS.—For purposes of this section:

6 “(1) The term ‘active duty’ has the meaning
 7 given that term in section 101(d)(1) of title 10,
 8 United States Code.

9 “(2) The term ‘profession’ includes occupation.

10 “(3) The term ‘professional’ includes occupa-
 11 tional.

12 **“SEC. 704. HEALTH INSURANCE REINSTATEMENT.**

13 “(a) REINSTATEMENT OF HEALTH INSURANCE.—A
 14 servicemember who, by reason of military service as de-
 15 fined in section 703(a)(1), is entitled to the rights and
 16 protections of this Act shall also be entitled upon termi-
 17 nation or release from such service to reinstatement of any
 18 health insurance that—

19 “(1) was in effect on the day before such serv-
 20 ice commenced; and

21 “(2) was terminated effective on a date during
 22 the period of such service.

23 “(b) NO EXCLUSION OR WAITING PERIOD.—The re-
 24 instatement of health care insurance coverage for the
 25 health or physical condition of a servicemember described

1 in subsection (a), or any other person who is covered by
 2 the insurance by reason of the coverage of the
 3 servicemember, shall not be subject to an exclusion or a
 4 waiting period, if—

5 “(1) the condition arose before or during the
 6 period of such service;

7 “(2) an exclusion or a waiting period would not
 8 have been imposed for the condition during the pe-
 9 riod of coverage; and

10 “(3) if the condition relates to the
 11 servicemember, the condition has not been deter-
 12 mined by the Secretary of Veterans Affairs to be a
 13 disability incurred or aggravated in the line of duty
 14 (within the meaning of section 105 of title 38,
 15 United States Code).

16 “(c) EXCEPTIONS.—Subsection (a) does not apply to
 17 a servicemember entitled to participate in employer-of-
 18 fered insurance benefits pursuant to the provisions of
 19 chapter 43 of title 38, United States Code.

20 “(d) TIME FOR APPLYING FOR REINSTATEMENT.—
 21 An application under this section must be filed not later
 22 than 120 days after the date of the termination of or re-
 23 lease from military service.

1 **~~“SEC. 705. GUARANTEE OF RESIDENCY FOR MILITARY PER-~~**
 2 **~~SONNEL.~~**

3 “For the purposes of voting for any Federal office
 4 (as defined in section 301 of the Federal Election Cam-
 5 paign Act of 1971 (2 U.S.C. 431)) or a State or local
 6 office, a person who is absent from a State in compliance
 7 with military or naval orders shall not, solely by reason
 8 of that absence—

9 “(1) be deemed to have lost a residence or
 10 domicile in that State, without regard to whether or
 11 not the person intends to return to that State;

12 “(2) be deemed to have acquired a residence or
 13 domicile in any other State; or

14 “(3) be deemed to have become a resident in or
 15 a resident of any other State.

16 **~~“SEC. 706. BUSINESS OR TRADE OBLIGATIONS.~~**

17 **~~“(a) AVAILABILITY OF NON-BUSINESS ASSETS TO~~**
 18 **~~SATISFY OBLIGATIONS.—~~**If the trade or business (without
 19 regard to the form in which such trade or business is ear-
 20 ried out) of a servicemember has an obligation or liability
 21 for which the servicemember is personally liable, the assets
 22 of the servicemember not held in connection with the trade
 23 or business may not be available for satisfaction of the
 24 obligation or liability during the servicemember’s military
 25 service.

1 “(b) RELIEF TO OBLIGORS.—Upon application to a
 2 court by the holder of an obligation or liability covered
 3 by this section, relief granted by this section to a
 4 servicemember may be modified as justice and equity re-
 5 quire.

6 **“SEC. 707. RETURN TO CLASSES AT NO ADDITIONAL COST.**

7 “(a) IN GENERAL.—Each institution of higher edu-
 8 cation that receives Federal assistance or participates in
 9 a program assisted under the Higher Education Act of
 10 1965 (20 U.S.C. 1001 et seq.) shall permit each student
 11 who is enrolled in the institution and enters into military
 12 service—

13 “(1) to return to the institution of higher edu-
 14 cation after completion of the period of military
 15 service; and

16 “(2) complete, at no additional cost, each class
 17 the student was unable to complete as a result of the
 18 period of military service.

19 “(b) INSTITUTION OF HIGHER EDUCATION DE-
 20 FINED.—In this section, the term ‘institution of higher
 21 education’ has the meaning given the term in section 101
 22 of the Higher Education Act of 1965 (20 U.S.C. 1001).”.

1 **SEC. 2. CONFORMING AMENDMENTS.**

2 (a) **MILITARY SELECTIVE SERVICE ACT.**—Section 14
3 of the Military Selective Service Act (50 U.S.C. App. 464)
4 is repealed.

5 (b) **TITLE 5, UNITED STATES CODE.**—(1) Section
6 5520a(k)(2)(A) of title 5, United States Code, is amended
7 by striking “Soldiers’ and Sailors’ Civil Relief Act of
8 1940” and inserting “Servicemembers Civil Relief Act”;
9 and

10 (2) Section 5569(e) of title 5, United States Code,
11 is amended—

12 (A) in paragraph (1), by striking “provided by
13 the Soldiers’ and Sailors’ Civil Relief Act of 1940”
14 and all that follows through “of such Act” and in-
15 serting “provided by the Servicemembers Civil Relief
16 Act, including the benefits provided by section 702
17 of such Act but excluding the benefits provided by
18 sections 104 and 106, title IV, and title V (other
19 than sections 501 and 510) of such Act”; and

20 (B) in paragraph (2), by striking “person in the
21 military service” and inserting “servicemember”.

22 (c) **TITLE 10, UNITED STATES CODE.**—Section
23 1408(b)(1)(D) of title 10, United States Code, is amended
24 by striking “Soldiers’ and Sailors’ Civil Relief Act of
25 1940” and inserting “Servicemembers Civil Relief Act”.

1 (d) INTERNAL REVENUE CODE.—Section 7654(d)(1)
 2 of the Internal Revenue Code of 1986 is amended by strik-
 3 ing “Soldiers’ and Sailors’ Civil Relief Act” and inserting
 4 “Servicemembers Civil Relief Act”.

5 (e) PUBLIC LAW 91-621.—Section 3(a)(3) of Public
 6 Law 91-621 (~~33 U.S.C. 857-3(a)(3)~~) is amended by
 7 striking “Soldiers’ and Sailors’ Civil Relief Act of 1940;
 8 as amended” and inserting “Servicemembers Civil Relief
 9 Act”.

10 (f) PUBLIC HEALTH SERVICE ACT.—Section 212(e)
 11 of the Public Health Service Act (42 U.S.C. 213(e)) is
 12 amended by striking “Soldiers’ and Sailors’ Civil Relief
 13 Act of 1940” and inserting “Servicemembers Civil Relief
 14 Act”.

15 (g) ELEMENTARY AND SECONDARY EDUCATION ACT
 16 OF 1965.—Section 8001 of the Elementary and Secondary
 17 Education Act of 1965 (20 U.S.C. 7701) is amended by
 18 striking “section 514 of the Soldiers’ and Sailors’ Civil
 19 Relief Act of 1940 (50 U.S.C. App. 574)” in the matter
 20 preceding paragraph (1) and inserting “section 511 of the
 21 Servicemembers Civil Relief Act”.

22 **SEC. 3. EFFECTIVE DATE.**

23 The amendment made by section 1 shall apply to any
 24 case decided after the date of the enactment of this Act.

1 **SECTION 1. RESTATEMENT OF ACT.**

2 *The Soldiers' and Sailors' Civil Relief Act of 1940 (50*
 3 *U.S.C. App. 501 et seq.) is amended to read as follows:*

4 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

5 “(a) *SHORT TITLE.*—*This Act may be cited as the*
 6 *‘Servicemembers Civil Relief Act’.*

7 “(b) *TABLE OF CONTENTS.*—*The table of contents of*
 8 *this Act is as follows:*

“Sec. 1. *Short title; table of contents.*

“Sec. 2. *Purpose.*

“TITLE I—GENERAL PROVISIONS

“Sec. 101. *Definitions.*

“Sec. 102. *Jurisdiction and applicability of Act.*

“Sec. 103. *Protection of persons secondarily liable.*

“Sec. 104. *Extension of protections to citizens serving with allied forces.*

“Sec. 105. *Notification of benefits.*

“Sec. 106. *Extension of rights and protections to Reserves ordered to report for*
military service and to persons ordered to report for induction.

“Sec. 107. *Waiver of rights pursuant to written agreement.*

“Sec. 108. *Exercise of rights under Act not to affect certain future financial*
transactions.

“Sec. 109. *Legal representatives.*

“TITLE II—GENERAL RELIEF

“Sec. 201. *Protection of servicemembers against default judgments.*

“Sec. 202. *Stay of proceedings when servicemember has notice.*

“Sec. 203. *Fines and penalties under contracts.*

“Sec. 204. *Stay or vacation of execution of judgments, attachments, and garnish-*
ments.

“Sec. 205. *Duration and term of stays; codefendants not in service.*

“Sec. 206. *Statute of limitations.*

“Sec. 207. *Maximum rate of interest on debts incurred before military service.*

“TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES, LIENS,
 ASSIGNMENT, LEASES

“Sec. 301. *Evictions and distress.*

“Sec. 302. *Protection under installment contracts for purchase or lease.*

“Sec. 303. *Mortgages and trust deeds.*

“Sec. 304. *Settlement of stayed cases relating to personal property.*

“Sec. 305. *Termination of residential or motor vehicle leases.*

“Sec. 306. *Protection of life insurance policy.*

“Sec. 307. *Enforcement of storage liens.*

“Sec. 308. *Extension of protections to dependents.*

“TITLE IV—LIFE INSURANCE

- “Sec. 401. Definitions.*
- “Sec. 402. Insurance rights and protections.*
- “Sec. 403. Application for insurance protection.*
- “Sec. 404. Policies entitled to protection and lapse of policies.*
- “Sec. 405. Policy restrictions.*
- “Sec. 406. Deduction of unpaid premiums.*
- “Sec. 407. Premiums and interest guaranteed by United States.*
- “Sec. 408. Regulations.*
- “Sec. 409. Review of findings of fact and conclusions of law.*

“TITLE V—TAXES AND PUBLIC LANDS

- “Sec. 501. Taxes respecting personal property, money, credits, and real property.*
- “Sec. 502. Rights in public lands.*
- “Sec. 503. Desert-land entries.*
- “Sec. 504. Mining claims.*
- “Sec. 505. Mineral permits and leases.*
- “Sec. 506. Perfection or defense of rights.*
- “Sec. 507. Distribution of information concerning benefits of title.*
- “Sec. 508. Land rights of servicemembers.*
- “Sec. 509. Regulations.*
- “Sec. 510. Income taxes.*
- “Sec. 511. Residence for tax purposes.*

“TITLE VI—ADMINISTRATIVE REMEDIES

- “Sec. 601. Inappropriate use of Act.*
- “Sec. 602. Certificates of service; persons reported missing.*
- “Sec. 603. Interlocutory orders.*

“TITLE VII—FURTHER RELIEF

- “Sec. 701. Anticipatory relief.*
- “Sec. 702. Power of attorney.*
- “Sec. 703. Professional liability protection.*
- “Sec. 704. Health insurance reinstatement.*
- “Sec. 705. Guarantee of residency for military personnel.*
- “Sec. 706. Business or trade obligations.*

1 “SEC. 2. PURPOSE.

2 “The purposes of this Act are—

3 “(1) to provide for, strengthen, and expedite the
4 national defense through protection extended by this
5 Act to servicemembers of the United States to enable
6 such persons to devote their entire energy to the de-
7 fense needs of the Nation; and

1 “(2) to provide for the temporary suspension of
 2 judicial and administrative proceedings and trans-
 3 actions that may adversely affect the civil rights of
 4 servicemembers during their military service.

5 **“TITLE I—GENERAL PROVISIONS**

6 **“SEC. 101. DEFINITIONS.**

7 *“For the purposes of this Act:*

8 “(1) *SERVICEMEMBER.—The term*
 9 *‘servicemember’ means a member of the uniformed*
 10 *services, as that term is defined in section 101(a)(5)*
 11 *of title 10, United States Code.*

12 “(2) *MILITARY SERVICE.—The term ‘military*
 13 *service’ means—*

14 “(A) *in the case of a servicemember who is*
 15 *a member of the Army, Navy, Air Force, Marine*
 16 *Corps, or Coast Guard—*

17 “(i) *active duty, as defined in section*
 18 *101(d)(1) of title 10, United States Code,*
 19 *and*

20 “(ii) *in the case of a member of the*
 21 *National Guard, includes service under a*
 22 *call to active service authorized by the*
 23 *President or the Secretary of Defense for a*
 24 *period of more than 30 consecutive days*
 25 *under section 502(f) of title 32, United*

1 *States Code, for purposes of responding to a*
 2 *national emergency declared by the Presi-*
 3 *dent and supported by Federal funds;*

4 “(B) *in the case of a servicemember who is*
 5 *a commissioned officer of the Public Health*
 6 *Service or the National Oceanic and Atmos-*
 7 *spheric Administration, active service; and*

8 “(C) *any period during which a*
 9 *servicemember is absent from duty on account of*
 10 *sickness, wounds, leave, or other lawful cause.*

11 “(3) *PERIOD OF MILITARY SERVICE.*—*The term*
 12 *‘period of military service’ means the period begin-*
 13 *ning on the date on which a servicemember enters*
 14 *military service and ending on the date on which the*
 15 *servicemember is released from military service or*
 16 *dies while in military service.*

17 “(4) *DEPENDENT.*—*The term ‘dependent’, with*
 18 *respect to a servicemember, means—*

19 “(A) *the servicemember’s spouse;*

20 “(B) *the servicemember’s child (as defined*
 21 *in section 101(4) of title 38, United States*
 22 *Code); or*

23 “(C) *an individual for whom the*
 24 *servicemember provided more than one-half of*
 25 *the individual’s support for 180 days imme-*

1 *diately preceding an application for relief under*
 2 *this Act.*

3 “(5) *COURT.*—*The term ‘court’ means a court or*
 4 *an administrative agency of the United States or of*
 5 *any State (including any political subdivision of a*
 6 *State), whether or not a court or administrative agen-*
 7 *cy of record.*

8 “(6) *STATE.*—*The term ‘State’ includes—*

9 “(A) *a commonwealth, territory, or posses-*
 10 *sion of the United States; and*

11 “(B) *the District of Columbia.*

12 “(7) *SECRETARY CONCERNED.*—*The term ‘Sec-*
 13 *retary concerned’—*

14 “(A) *with respect to a member of the armed*
 15 *forces, has the meaning given that term in sec-*
 16 *tion 101(a)(9) of title 10, United States Code;*

17 “(B) *with respect to a commissioned officer*
 18 *of the Public Health Service, means the Sec-*
 19 *retary of Health and Human Services; and*

20 “(C) *with respect to a commissioned officer*
 21 *of the National Oceanic and Atmospheric Ad-*
 22 *ministration, means the Secretary of Commerce.*

23 “(8) *MOTOR VEHICLE.*—*The term ‘motor vehicle’*
 24 *has the meaning given that term in section*
 25 *30102(a)(6) of title 49, United States Code.*

1 **“SEC. 102. JURISDICTION AND APPLICABILITY OF ACT.**

2 “(a) *JURISDICTION.*—*This Act applies to—*

3 “(1) *the United States;*

4 “(2) *each of the States, including the political*
5 *subdivisions thereof; and*

6 “(3) *all territory subject to the jurisdiction of the*
7 *United States.*

8 “(b) *APPLICABILITY TO PROCEEDINGS.*—*This Act ap-*
9 *plies to any judicial or administrative proceeding com-*
10 *menced in any court or agency in any jurisdiction subject*
11 *to this Act. This Act does not apply to criminal proceedings.*

12 “(c) *COURT IN WHICH APPLICATION MAY BE MADE.*—
13 *When under this Act any application is required to be made*
14 *to a court in which no proceeding has already been com-*
15 *menced with respect to the matter, such application may*
16 *be made to any court which would otherwise have jurisdic-*
17 *tion over the matter.*

18 **“SEC. 103. PROTECTION OF PERSONS SECONDARILY LIA-**
19 ***BLE.***

20 “(a) *EXTENSION OF PROTECTION WHEN ACTIONS*
21 *STAYED, POSTPONED, OR SUSPENDED.*—*Whenever pursu-*
22 *ant to this Act a court stays, postpones, or suspends (1)*
23 *the enforcement of an obligation or liability, (2) the pros-*
24 *ecution of a suit or proceeding, (3) the entry or enforcement*
25 *of an order, writ, judgment, or decree, or (4) the perform-*
26 *ance of any other act, the court may likewise grant such*

1 *a stay, postponement, or suspension to a surety, guarantor,*
 2 *endorser, accommodation maker, comaker, or other person*
 3 *who is or may be primarily or secondarily subject to the*
 4 *obligation or liability the performance or enforcement of*
 5 *which is stayed, postponed, or suspended.*

6 “(b) *VACATION OR SET-ASIDE OF JUDGMENTS.*—When
 7 *a judgment or decree is vacated or set aside, in whole or*
 8 *in part, pursuant to this Act, the court may also set aside*
 9 *or vacate, as the case may be, the judgment or decree as*
 10 *to a surety, guarantor, endorser, accommodation maker,*
 11 *comaker, or other person who is or may be primarily or*
 12 *secondarily liable on the contract or liability for the enforce-*
 13 *ment of the judgment or decree.*

14 “(c) *BAIL BOND NOT TO BE ENFORCED DURING PE-*
 15 *RIOD OF MILITARY SERVICE.*—A court may not enforce a
 16 *bail bond during the period of military service of the prin-*
 17 *cipal on the bond when military service prevents the surety*
 18 *from obtaining the attendance of the principal. The court*
 19 *may discharge the surety and exonerate the bail, in accord-*
 20 *ance with principles of equity and justice, during or after*
 21 *the period of military service of the principal.*

22 “(d) *WAIVER OF RIGHTS.*—

23 “(1) *WAIVERS NOT PRECLUDED.*—This Act does
 24 *not prevent a waiver in writing by a surety, guar-*
 25 *antor, endorser, accommodation maker, comaker, or*

1 *other person (whether primarily or secondarily liable*
 2 *on an obligation or liability) of the protections pro-*
 3 *vided under subsections (a) and (b). Any such waiver*
 4 *is effective only if it is executed as an instrument sep-*
 5 *arate from the obligation or liability with respect to*
 6 *which it applies.*

7 “(2) *WAIVER INVALIDATED UPON ENTRANCE TO*
 8 *MILITARY SERVICE.—If a waiver under paragraph (1)*
 9 *is executed by an individual who after the execution*
 10 *of the waiver enters military service, or by a depend-*
 11 *ent of an individual who after the execution of the*
 12 *waiver enters military service, the waiver is not valid*
 13 *after the beginning of the period of such military*
 14 *service unless the waiver was executed by such indi-*
 15 *vidual or dependent during the period specified in*
 16 *section 106.*

17 **“SEC. 104. EXTENSION OF PROTECTIONS TO CITIZENS**
 18 **SERVING WITH ALLIED FORCES.**

19 “*A citizen of the United States who is serving with*
 20 *the forces of a nation with which the United States is allied*
 21 *in the prosecution of a war or military action is entitled*
 22 *to the relief and protections provided under this Act if that*
 23 *service with the allied force is similar to military service*
 24 *as defined in this Act. The relief and protections provided*

1 *to such citizen shall terminate on the date of discharge or*
 2 *release from such service.*

3 **“SEC. 105. NOTIFICATION OF BENEFITS.**

4 *“The Secretary concerned shall ensure that notice of*
 5 *the benefits accorded by this Act is provided in writing to*
 6 *persons in military service and to persons entering military*
 7 *service.*

8 **“SEC. 106. EXTENSION OF RIGHTS AND PROTECTIONS TO**
 9 **RESERVES ORDERED TO REPORT FOR MILI-**
 10 **TARY SERVICE AND TO PERSONS ORDERED**
 11 **TO REPORT FOR INDUCTION.**

12 *“(a) RESERVES ORDERED TO REPORT FOR MILITARY*
 13 *SERVICE.—A member of a reserve component who is or-*
 14 *dered to report for military service is entitled to the rights*
 15 *and protections of this title and titles II and III during*
 16 *the period beginning on the date of the member’s receipt*
 17 *of the order and ending on the date on which the member*
 18 *reports for military service (or, if the order is revoked before*
 19 *the member so reports, or the date on which the order is*
 20 *revoked).*

21 *“(b) PERSONS ORDERED TO REPORT FOR INDUC-*
 22 *TION.—A person who has been ordered to report for induc-*
 23 *tion under the Military Selective Service Act (50 U.S.C.*
 24 *App. 451 et seq.) is entitled to the rights and protections*
 25 *provided a servicemember under this title and titles II and*

1 *III during the period beginning on the date of receipt of*
 2 *the order for induction and ending on the date on which*
 3 *the person reports for induction (or, if the order to report*
 4 *for induction is revoked before the date on which the person*
 5 *reports for induction, on the date on which the order is re-*
 6 *voked).*

7 **“SEC. 107. WAIVER OF RIGHTS PURSUANT TO WRITTEN**
 8 **AGREEMENT.**

9 “(a) *IN GENERAL.*—A servicemember may waive any
 10 *of the rights and protections provided by this Act. In the*
 11 *case of a waiver that permits an action described in sub-*
 12 *section (b), the waiver is effective only if made pursuant*
 13 *to a written agreement of the parties that is executed during*
 14 *or after the servicemember’s period of military service. The*
 15 *written agreement shall specify the legal instrument to*
 16 *which the waiver applies and, if the servicemember is not*
 17 *a party to that instrument, the servicemember concerned.*

18 “(b) *ACTIONS REQUIRING WAIVERS IN WRITING.*—The
 19 *requirement in subsection (a) for a written waiver applies*
 20 *to the following:*

21 “(1) *The modification, termination, or cancella-*
 22 *tion of—*

23 “(A) *a contract, lease, or bailment; or*

1 “(B) an obligation secured by a mortgage,
2 trust, deed, lien, or other security in the nature
3 of a mortgage.

4 “(2) The repossession, retention, foreclosure, sale,
5 forfeiture, or taking possession of property that—

6 “(A) is security for any obligation; or

7 “(B) was purchased or received under a
8 contract, lease, or bailment.

9 “(c) **COVERAGE OF PERIODS AFTER ORDERS RE-**
10 **CEIVED.**—*For the purposes of this section—*

11 “(1) a person to whom section 106 applies shall
12 be considered to be a servicemember; and

13 “(2) the period with respect to such a person
14 specified in subsection (a) or (b), as the case may be,
15 of section 106 shall be considered to be a period of
16 military service.

17 **“SEC. 108. EXERCISE OF RIGHTS UNDER ACT NOT TO AF-**
18 **FECT CERTAIN FUTURE FINANCIAL TRANS-**
19 **ACTIONS.**

20 “Application by a servicemember for, or receipt by a
21 servicemember of, a stay, postponement, or suspension pur-
22 suant to this Act in the payment of a tax, fine, penalty,
23 insurance premium, or other civil obligation or liability of
24 that servicemember shall not itself (without regard to other
25 considerations) provide the basis for any of the following:

1 “(1) *A determination by a lender or other person*
 2 *that the servicemember is unable to pay the civil obli-*
 3 *gation or liability in accordance with its terms.*

4 “(2) *With respect to a credit transaction between*
 5 *a creditor and the servicemember—*

6 “(A) *a denial or revocation of credit by the*
 7 *creditor;*

8 “(B) *a change by the creditor in the terms*
 9 *of an existing credit arrangement; or*

10 “(C) *a refusal by the creditor to grant cred-*
 11 *it to the servicemember in substantially the*
 12 *amount or on substantially the terms requested.*

13 “(3) *An adverse report relating to the credit-*
 14 *worthiness of the servicemember by or to a person en-*
 15 *gaged in the practice of assembling or evaluating con-*
 16 *sumer credit information.*

17 “(4) *A refusal by an insurer to insure the*
 18 *servicemember.*

19 “(5) *An annotation in a servicemember’s record*
 20 *by a creditor or a person engaged in the practice of*
 21 *assembling or evaluating consumer credit informa-*
 22 *tion, identifying the servicemember as a member of*
 23 *the National Guard or a reserve component.*

24 “(6) *A change in the terms offered or conditions*
 25 *required for the issuance of insurance.*

1 **“SEC. 109. LEGAL REPRESENTATIVES.**

2 “(a) *REPRESENTATIVE.*—A legal representative of a
3 servicemember for purposes of this Act is either of the fol-
4 lowing:

5 “(1) *An attorney acting on the behalf of a*
6 *servicemember.*

7 “(2) *An individual possessing a power of attor-*
8 *ney.*

9 “(b) *APPLICATION.*—Whenever the term
10 ‘servicemember’ is used in this Act, such term shall be treat-
11 ed as including a reference to a legal representative of the
12 servicemember.

13 **“TITLE II—GENERAL RELIEF**

14 **“SEC. 201. PROTECTION OF SERVICEMEMBERS AGAINST DE-**
15 **FAULT JUDGMENTS.**

16 “(a) *APPLICABILITY OF SECTION.*—This section ap-
17 plies to any civil action or proceeding in which the defend-
18 ant does not make an appearance.

19 “(b) *AFFIDAVIT REQUIREMENT.*—

20 “(1) *PLAINTIFF TO FILE AFFIDAVIT.*—In any ac-
21 tion or proceeding covered by this section, the court,
22 before entering judgment for the plaintiff, shall re-
23 quire the plaintiff to file with the court an affi-
24 davit—

1 “(A) stating whether or not the defendant is
2 in military service and showing necessary facts
3 to support the affidavit; or

4 “(B) if the plaintiff is unable to determine
5 whether or not the defendant is in military serv-
6 ice, stating that the plaintiff is unable to deter-
7 mine whether or not the defendant is in military
8 service.

9 “(2) *APPOINTMENT OF ATTORNEY TO REPRESENT*
10 *DEFENDANT IN MILITARY SERVICE.*—If in an action
11 covered by this section it appears that the defendant
12 is in military service, the court may not enter a judg-
13 ment until after the court appoints an attorney to
14 represent the defendant. If an attorney appointed
15 under this section to represent a servicemember can-
16 not locate the servicemember, actions by the attorney
17 in the case shall not waive any defense of the
18 servicemember or otherwise bind the servicemember.

19 “(3) *DEFENDANT’S MILITARY STATUS NOT*
20 *ASCERTAINED BY AFFIDAVIT.*—If based upon the affi-
21 davits filed in such an action, the court is unable to
22 determine whether the defendant is in military serv-
23 ice, the court, before entering judgment, may require
24 the plaintiff to file a bond in an amount approved by
25 the court. If the defendant is later found to be in mili-

1 *tary service, the bond shall be available to indemnify*
 2 *the defendant against any loss or damage the defend-*
 3 *ant may suffer by reason of any judgment for the*
 4 *plaintiff against the defendant, should the judgment*
 5 *be set aside in whole or in part. The bond shall re-*
 6 *main in effect until expiration of the time for appeal*
 7 *and setting aside of a judgment under applicable Fed-*
 8 *eral or State law or regulation or under any applica-*
 9 *ble ordinance of a political subdivision of a State.*
 10 *The court may issue such orders or enter such judg-*
 11 *ments as the court determines necessary to protect the*
 12 *rights of the defendant under this Act.*

13 *“(4) SATISFACTION OF REQUIREMENT FOR AFFI-*
 14 *DAVIT.—The requirement for an affidavit under para-*
 15 *graph (1) may be satisfied by a statement, declara-*
 16 *tion, verification, or certificate, in writing, subscribed*
 17 *and certified or declared to be true under penalty of*
 18 *perjury.*

19 *“(c) PENALTY FOR MAKING OR USING FALSE AFFI-*
 20 *DAVIT.—A person who makes or uses an affidavit permitted*
 21 *under subsection (b) (or a statement, declaration,*
 22 *verification, or certificate as authorized under subsection*
 23 *(b)(4)) knowing it to be false, shall be fined as provided*
 24 *in title 18, United States Code, or imprisoned for not more*
 25 *than one year, or both.*

1 “(d) *STAY OF PROCEEDINGS.*—*In an action covered by*
 2 *this section in which the defendant is in military service,*
 3 *the court shall grant a stay of proceedings for a minimum*
 4 *period of 90 days under this subsection upon application*
 5 *of counsel, or on the court’s own motion, if the court deter-*
 6 *mines that—*

7 “(1) *there may be a defense to the action and a*
 8 *defense cannot be presented without the presence of*
 9 *the defendant; or*

10 “(2) *after due diligence, counsel has been unable*
 11 *to contact the defendant or otherwise determine if a*
 12 *meritorious defense exists.*

13 “(e) *INAPPLICABILITY OF SECTION 202 PROCE-*
 14 *DURES.*—*A stay of proceedings under subsection (d) shall*
 15 *not be controlled by procedures or requirements under sec-*
 16 *tion 202.*

17 “(f) *SECTION 202 PROTECTION.*—*If a servicemember*
 18 *who is a defendant in an action covered by this section re-*
 19 *ceives actual notice of the action, the servicemember may*
 20 *request a stay of proceeding under section 202.*

21 “(g) *VACATION OR SETTING ASIDE OF DEFAULT JUDG-*
 22 *MENTS.*—

23 “(1) *AUTHORITY FOR COURT TO VACATE OR SET*
 24 *ASIDE JUDGMENT.*—*If a default judgment is entered*
 25 *in an action covered by this section against a*

1 *servicemember during the servicemember's period of*
 2 *military service (or within 60 days after termination*
 3 *of or release from such military service), the court en-*
 4 *tering the judgment shall, upon application by or on*
 5 *behalf of the servicemember, reopen the judgment for*
 6 *the purpose of allowing the servicemember to defend*
 7 *the action if it appears that—*

8 *“(A) the servicemember was materially af-*
 9 *ected by reason of that military service in mak-*
 10 *ing a defense to the action; and*

11 *“(B) the servicemember has a meritorious or*
 12 *legal defense to the action or some part of it.*

13 *“(2) TIME FOR FILING APPLICATION.—An appli-*
 14 *cation under this subsection must be filed not later*
 15 *than 90 days after the date of the termination of or*
 16 *release from military service.*

17 *“(h) PROTECTION OF BONA FIDE PURCHASER.—If a*
 18 *court vacates, sets aside, or reverses a default judgment*
 19 *against a servicemember and the vacating, setting aside, or*
 20 *reversing is because of a provision of this Act, that action*
 21 *shall not impair a right or title acquired by a bona fide*
 22 *purchaser for value under the default judgment.*

1 **“SEC. 202. STAY OF PROCEEDINGS WHEN SERVICEMEMBER**
 2 **HAS NOTICE.**

3 “(a) *APPLICABILITY OF SECTION.*—*This section ap-*
 4 *plies to any civil action or proceeding in which the defend-*
 5 *ant at the time of filing an application under this section—*

6 “(1) *is in military service or is within 90 days*
 7 *after termination of or release from military service;*
 8 *and*

9 “(2) *has received notice of the action or pro-*
 10 *ceeding.*

11 “(b) *STAY OF PROCEEDINGS.*—

12 “(1) *AUTHORITY FOR STAY.*—*At any stage before*
 13 *final judgment in a civil action or proceeding in*
 14 *which a servicemember described in subsection (a) is*
 15 *a party, the court may on its own motion and shall,*
 16 *upon application by the servicemember, stay the ac-*
 17 *tion for a period of not less than 90 days, if the con-*
 18 *ditions in paragraph (2) are met.*

19 “(2) *CONDITIONS FOR STAY.*—*An application for*
 20 *a stay under paragraph (1) shall include the fol-*
 21 *lowing:*

22 “(A) *A letter or other communication set-*
 23 *ting forth facts stating the manner in which cur-*
 24 *rent military duty requirements materially affect*
 25 *the servicemember’s ability to appear and stat-*

1 *ing a date when the servicemember will be avail-*
 2 *able to appear.*

3 “(B) *A letter or other communication from*
 4 *the servicemember’s commanding officer stating*
 5 *that the servicemember’s current military duty*
 6 *prevents appearance and that military leave is*
 7 *not authorized for the servicemember at the time*
 8 *of the letter.*

9 “(c) *APPLICATION NOT A WAIVER OF DEFENSES.—An*
 10 *application for a stay under this section does not constitute*
 11 *an appearance for jurisdictional purposes and does not con-*
 12 *stitute a waiver of any substantive or procedural defense*
 13 *(including a defense relating to lack of personal jurisdic-*
 14 *tion).*

15 “(d) *ADDITIONAL STAY.—*

16 “(1) *APPLICATION.—A servicemember who is*
 17 *granted a stay of a civil action or proceeding under*
 18 *subsection (b) may apply for an additional stay based*
 19 *on continuing material affect of military duty on the*
 20 *servicemember’s ability to appear. Such an applica-*
 21 *tion may be made by the servicemember at the time*
 22 *of the initial application under subsection (b) or*
 23 *when it appears that the servicemember is unavail-*
 24 *able to prosecute or defend the action. The same infor-*

1 *mation required under subsection (b)(2) shall be in-*
 2 *cluded in an application under this subsection.*

3 *“(2) APPOINTMENT OF COUNSEL WHEN ADDI-*
 4 *TIONAL STAY REFUSED.—If the court refuses to grant*
 5 *an additional stay of proceedings under paragraph*
 6 *(1), the court shall appoint counsel to represent the*
 7 *servicemember in the action or proceeding.*

8 *“(e) COORDINATION WITH SECTION 201.—A*
 9 *servicemember who applies for a stay under this section and*
 10 *is unsuccessful may not seek the protections afforded by sec-*
 11 *tion 201.*

12 *“(f) INAPPLICABILITY TO SECTION 301.—The protec-*
 13 *tions of this section do not apply to section 301.*

14 **“SEC. 203. FINES AND PENALTIES UNDER CONTRACTS.**

15 *“(a) PROHIBITION OF PENALTIES.—When an action*
 16 *for compliance with the terms of a contract is stayed pursu-*
 17 *ant to this Act, a penalty shall not accrue for failure to*
 18 *comply with the terms of the contract during the period*
 19 *of the stay.*

20 *“(b) REDUCTION OR WAIVER OF FINES OR PEN-*
 21 *ALTIES.—If a servicemember fails to perform an obligation*
 22 *arising under a contract and a penalty is incurred arising*
 23 *from that nonperformance, a court may reduce or waive*
 24 *the fine or penalty if—*

1 “(1) *the servicemember was in military service*
 2 *at the time the fine or penalty was incurred; and*

3 “(2) *the ability of the servicemember to perform*
 4 *the obligation was materially affected by such mili-*
 5 *tary service.*

6 **“SEC. 204. STAY OR VACATION OF EXECUTION OF JUDG-**
 7 **MENTS, ATTACHMENTS, AND GARNISHMENTS.**

8 “(a) *COURT ACTION UPON MATERIAL AFFECT DETER-*
 9 *MINATION.—If a servicemember, in the opinion of the court,*
 10 *is materially affected by reason of military service in com-*
 11 *plying with a court judgment or order, the court may on*
 12 *its own motion and shall on application by the*
 13 *servicemember—*

14 “(1) *stay the execution of any judgment or order*
 15 *entered against the servicemember; and*

16 “(2) *vacate or stay an attachment or garnish-*
 17 *ment of property, money, or debts in the possession of*
 18 *the servicemember or a third party, whether before or*
 19 *after judgment.*

20 “(b) *APPLICABILITY.—This section applies to an ac-*
 21 *tion or proceeding commenced in a court against a*
 22 *servicemember before or during the period of the*
 23 *servicemember’s military service or within 90 days after*
 24 *such service terminates.*

1 **“SEC. 205. DURATION AND TERM OF STAYS; CODEFEND-**
 2 **ANTS NOT IN SERVICE.**

3 “(a) *PERIOD OF STAY.*—A stay of an action, pro-
 4 ceeding, attachment, or execution made pursuant to the pro-
 5 visions of this Act by a court may be ordered for the period
 6 of military service and 90 days thereafter, or for any part
 7 of that period. The court may set the terms and amounts
 8 for such installment payments as is considered reasonable
 9 by the court.

10 “(b) *CODEFENDANTS.*—If the servicemember is a co-
 11 defendant with others who are not in military service and
 12 who are not entitled to the relief and protections provided
 13 under this Act, the plaintiff may proceed against those other
 14 defendants with the approval of the court.

15 “(c) *INAPPLICABILITY OF SECTION.*—This section does
 16 not apply to sections 202 and 701.

17 **“SEC. 206. STATUTE OF LIMITATIONS.**

18 “(a) *TOLLING OF STATUTES OF LIMITATION DURING*
 19 *MILITARY SERVICE.*—The period of a servicemember’s mili-
 20 tary service may not be included in computing any period
 21 limited by law, regulation, or order for the bringing of any
 22 action or proceeding in a court, or in any board, bureau,
 23 commission, department, or other agency of a State (or po-
 24 litical subdivision of a State) or the United States by or
 25 against the servicemember or the servicemember’s heirs, ex-
 26 ecutors, administrators, or assigns.

1 “(b) *REDEMPTION OF REAL PROPERTY*.—A period of
 2 *military service may not be included in computing any pe-*
 3 *riod provided by law for the redemption of real property*
 4 *sold or forfeited to enforce an obligation, tax, or assessment.*

5 “(c) *INAPPLICABILITY TO INTERNAL REVENUE*
 6 *LAWS*.—*This section does not apply to any period of limita-*
 7 *tion prescribed by or under the internal revenue laws of*
 8 *the United States.*

9 **“SEC. 207. MAXIMUM RATE OF INTEREST ON DEBTS IN-**
 10 **CURRED BEFORE MILITARY SERVICE.**

11 “(a) *INTEREST RATE LIMITATION*.—

12 “(1) *LIMITATION TO 6 PERCENT*.—*An obligation*
 13 *or liability bearing interest at a rate in excess of 6*
 14 *percent per year that is incurred by a servicemember,*
 15 *or the servicemember and the servicemember’s spouse*
 16 *jointly, before the servicemember enters military serv-*
 17 *ice shall not bear interest at a rate in excess of 6 per-*
 18 *cent per year during the period of military service.*

19 “(2) *FORGIVENESS OF INTEREST IN EXCESS OF*
 20 *6 PERCENT*.—*Interest at a rate in excess of 6 percent*
 21 *per year that would otherwise be incurred but for the*
 22 *prohibition in paragraph (1) is forgiven.*

23 “(3) *PREVENTION OF ACCELERATION OF PRIN-*
 24 *CIPAL*.—*The amount of any periodic payment due*
 25 *from a servicemember under the terms of the instru-*

1 *ment that created an obligation or liability covered by*
 2 *this section shall be reduced by the amount of the in-*
 3 *terest forgiven under paragraph (2) that is allocable*
 4 *to the period for which such payment is made.*

5 *“(b) IMPLEMENTATION OF LIMITATION.—*

6 *“(1) WRITTEN NOTICE TO CREDITOR.—In order*
 7 *for an obligation or liability of a servicemember to be*
 8 *subject to the interest rate limitation in subsection*
 9 *(a), the servicemember shall provide to the creditor*
 10 *written notice and a copy of the military orders call-*
 11 *ing the servicemember to military service and any or-*
 12 *ders further extending military service, not later than*
 13 *180 days after the date of the servicemember’s termi-*
 14 *nation or release from military service.*

15 *“(2) LIMITATION EFFECTIVE AS OF DATE OF*
 16 *ORDER TO ACTIVE DUTY.—Upon receipt of written*
 17 *notice and a copy of orders calling a servicemember*
 18 *to military service, the creditor shall treat the debt in*
 19 *accordance with subsection (a), effective as of the date*
 20 *on which the servicemember is called to military serv-*
 21 *ice.*

22 *“(c) CREDITOR PROTECTION.—A court may grant a*
 23 *creditor relief from the limitations of this section if, in the*
 24 *opinion of the court, the ability of the servicemember to pay*
 25 *interest upon the obligation or liability at a rate in excess*

1 of 6 percent per year is not materially affected by reason
2 of the servicemember's military service.

3 “(d) *INTEREST*.—As used in this section, the term ‘in-
4 terest’ includes service charges, renewal charges, fees, or any
5 other charges (except bona fide insurance) with respect to
6 an obligation or liability.

7 **“TITLE III—RENT, INSTALLMENT**
8 **CONTRACTS, MORTGAGES,**
9 **LIENS, ASSIGNMENT, LEASES**

10 **“SEC. 301. EVICTIONS AND DISTRESS.**

11 “(a) *COURT-ORDERED EVICTION*.—

12 “(1) *IN GENERAL*.—Except by court order, a
13 landlord (or another person with paramount title)
14 may not—

15 “(A) evict a servicemember, or the depend-
16 ents of a servicemember, during a period of mili-
17 tary service of the servicemember, from prem-
18 ises—

19 “(i) that are occupied or intended to be
20 occupied primarily as a residence; and

21 “(ii) for which the monthly rent does
22 not exceed \$2,400, as adjusted under para-
23 graph (2) for years after 2003; or

24 “(B) subject such premises to a distress dur-
25 ing the period of military service.

1 “(2) *HOUSING PRICE INFLATION ADJUSTMENT.*—

2 (A) *For calendar years beginning with 2004, the*
 3 *amount in effect under paragraph (1)(A)(ii) shall be*
 4 *increased by the housing price inflation adjustment*
 5 *for the calendar year involved.*

6 “(B) *For purposes of this paragraph—*

7 “(i) *The housing price inflation adjustment*
 8 *for any calendar year is the percentage change*
 9 *(if any) by which—*

10 “(I) *the CPI housing component for*
 11 *November of the preceding calendar year,*
 12 *exceeds*

13 “(II) *the CPI housing component for*
 14 *November of 1984.*

15 “(ii) *The term ‘CPI housing component’*
 16 *means the index published by the Bureau of*
 17 *Labor Statistics of the Department of Labor*
 18 *known as the Consumer Price Index, All Urban*
 19 *Consumers, Rent of Primary Residence, U.S.*
 20 *City Average.*

21 “(3) *PUBLICATION OF HOUSING PRICE INFLATION*
 22 *ADJUSTMENT.*—*The Secretary of Defense shall cause*
 23 *to be published in the Federal Register each year the*
 24 *amount in effect under paragraph (1)(A)(ii) for that*
 25 *year following the housing price inflation adjustment*

1 *for that year pursuant to paragraph (2). Such publi-*
 2 *cation shall be made for a year not later than 60*
 3 *days after such adjustment is made for that year.*

4 “(b) *STAY OF EXECUTION.*—

5 “(1) *COURT AUTHORITY.*—*Upon an application*
 6 *for eviction or distress with respect to premises cov-*
 7 *ered by this section, the court may on its own motion*
 8 *and shall, if a request is made by or on behalf of a*
 9 *servicemember whose ability to pay the agreed rent is*
 10 *materially affected by military service—*

11 “(A) *stay the proceedings for a period of 90*
 12 *days, unless in the opinion of the court, justice*
 13 *and equity require a longer or shorter period of*
 14 *time; or*

15 “(B) *adjust the obligation under the lease to*
 16 *preserve the interests of all parties.*

17 “(2) *RELIEF TO LANDLORD.*—*If a stay is grant-*
 18 *ed under paragraph (1), the court may grant to the*
 19 *landlord (or other person with paramount title) such*
 20 *relief as equity may require.*

21 “(c) *PENALTIES.*—

22 “(1) *MISDEMEANOR.*—*Except as provided in*
 23 *subsection (a), a person who knowingly takes part in*
 24 *an eviction or distress described in subsection (a), or*
 25 *who knowingly attempts to do so, shall be fined as*

1 *provided in title 18, United States Code, or impris-*
 2 *oned for not more than one year, or both.*

3 “(2) *PRESERVATION OF OTHER REMEDIES AND*
 4 *RIGHTS.—The remedies and rights provided under*
 5 *this section are in addition to and do not preclude*
 6 *any remedy for wrongful conversion (or wrongful*
 7 *eviction) otherwise available under the law to the per-*
 8 *son claiming relief under this section, including any*
 9 *award for consequential and punitive damages.*

10 “(d) *RENT ALLOTMENT FROM PAY OF*
 11 *SERVICEMEMBER.—To the extent required by a court order*
 12 *related to property which is the subject of a court action*
 13 *under this section, the Secretary concerned shall make an*
 14 *allotment from the pay of a servicemember to satisfy the*
 15 *terms of such order, except that any such allotment shall*
 16 *be subject to regulations prescribed by the Secretary con-*
 17 *cerned establishing the maximum amount of pay of*
 18 *servicemembers that may be allotted under this subsection.*

19 “(e) *LIMITATION OF APPLICABILITY.—Section 202 is*
 20 *not applicable to this section.*

21 **“SEC. 302. PROTECTION UNDER INSTALLMENT CONTRACTS**
 22 **FOR PURCHASE OR LEASE.**

23 “(a) *PROTECTION UPON BREACH OF CONTRACT.—*

1 “(1) *PROTECTION AFTER ENTERING MILITARY*
 2 *SERVICE.*—After a servicemember enters military
 3 service, a contract by the servicemember for—

4 “(A) the purchase of real or personal prop-
 5 erty (including a motor vehicle); or

6 “(B) the lease or bailment of such property,
 7 may not be rescinded or terminated for a breach of
 8 terms of the contract occurring before or during that
 9 person’s military service, nor may the property be re-
 10 possessed for such breach without a court order.

11 “(2) *APPLICABILITY.*—This section applies only
 12 to a contract for which a deposit or installment has
 13 been paid by the servicemember before the
 14 servicemember enters military service.

15 “(b) *PENALTIES.*—

16 “(1) *MISDEMEANOR.*—A person who knowingly
 17 resumes possession of property in violation of sub-
 18 section (a), or in violation of section 107 of this Act,
 19 or who knowingly attempts to do so, shall be fined as
 20 provided in title 18, United States Code, or impris-
 21 oned for not more than one year, or both.

22 “(2) *PRESERVATION OF OTHER REMEDIES AND*
 23 *RIGHTS.*—The remedies and rights provided under
 24 this section are in addition to and do not preclude
 25 any remedy for wrongful conversion otherwise avail-

1 *able under law to the person claiming relief under*
 2 *this section, including any award for consequential*
 3 *and punitive damages.*

4 *“(c) AUTHORITY OF COURT.—In a hearing based on*
 5 *this section, the court—*

6 *“(1) may order repayment to the servicemember*
 7 *of all or part of the prior installments or deposits as*
 8 *a condition of terminating the contract and resuming*
 9 *possession of the property;*

10 *“(2) may, on its own motion, and shall on ap-*
 11 *plication by a servicemember when the*
 12 *servicemember’s ability to comply with the contract is*
 13 *materially affected by military service, stay the pro-*
 14 *ceedings for a period of time as, in the opinion of the*
 15 *court, justice and equity require; or*

16 *“(3) may make other disposition as is equitable*
 17 *to preserve the interests of all parties.*

18 **“SEC. 303. MORTGAGES AND TRUST DEEDS.**

19 *“(a) MORTGAGE AS SECURITY.—This section applies*
 20 *only to an obligation on real or personal property owned*
 21 *by a servicemember that—*

22 *“(1) originated before the period of the*
 23 *servicemember’s military service and for which the*
 24 *servicemember is still obligated; and*

1 “(2) is secured by a mortgage, trust deed, or
2 other security in the nature of a mortgage.

3 “(b) *STAY OF PROCEEDINGS AND ADJUSTMENT OF OB-*
4 *LIGATION.*—*In an action filed during, or within 90 days*
5 *after, a servicemember’s period of military service to enforce*
6 *an obligation described in subsection (a), the court may*
7 *after a hearing and on its own motion and shall upon ap-*
8 *plication by a servicemember when the servicemember’s*
9 *ability to comply with the obligation is materially affected*
10 *by military service—*

11 “(1) *stay the proceedings for a period of time as*
12 *justice and equity require, or*

13 “(2) *adjust the obligation to preserve the inter-*
14 *ests of all parties.*

15 “(c) *SALE OR FORECLOSURE.*—*A sale, foreclosure, or*
16 *seizure of property for a breach of an obligation described*
17 *in subsection (a) shall not be valid if made during, or with-*
18 *in 90 days after, the period of the servicemember’s military*
19 *service except—*

20 “(1) *upon a court order granted before such sale,*
21 *foreclosure, or seizure with a return made and ap-*
22 *proved by the court; or*

23 “(2) *if made pursuant to an agreement as pro-*
24 *vided in section 107.*

25 “(d) *PENALTIES.*—

1 “(1) *MISDEMEANOR.*—A person who knowingly
 2 *makes or causes to be made a sale, foreclosure, or sei-*
 3 *zure of property that is prohibited by subsection (c),*
 4 *or who knowingly attempts to do so, shall be fined as*
 5 *provided in title 18, United States Code, or impris-*
 6 *oned for not more than one year, or both.*

7 “(2) *PRESERVATION OF OTHER REMEDIES.*—The
 8 *remedies and rights provided under this section are*
 9 *in addition to and do not preclude any remedy for*
 10 *wrongful conversion otherwise available under law to*
 11 *the person claiming relief under this section, includ-*
 12 *ing consequential and punitive damages.*

13 **“SEC. 304. SETTLEMENT OF STAYED CASES RELATING TO**
 14 **PERSONAL PROPERTY.**

15 “(a) *APPRAISAL OF PROPERTY.*—When a stay is
 16 *granted pursuant to this Act in a proceeding to foreclose*
 17 *a mortgage on or to repossess personal property, or to re-*
 18 *scind or terminate a contract for the purchase of personal*
 19 *property, the court may appoint three disinterested parties*
 20 *to appraise the property.*

21 “(b) *EQUITY PAYMENT.*—Based on the appraisal, and
 22 *if undue hardship to the servicemember’s dependents will*
 23 *not result, the court may order that the amount of the*
 24 *servicemember’s equity in the property be paid to the*
 25 *servicemember, or the servicemember’s dependents, as a con-*

1 dition of foreclosing the mortgage, repossessing the property,
 2 or rescinding or terminating the contract.

3 **“SEC. 305. TERMINATION OF RESIDENTIAL OR MOTOR VEHI-**
 4 **CLE LEASES.**

5 “(a) *TERMINATION BY LESSEE.*—The lessee on a lease
 6 described in subsection (b) may, at the lessee’s option, ter-
 7 minate the lease at any time after—

8 “(1) the lessee’s entry into military service; or

9 “(2) the date of the lessee’s military orders de-
 10 scribed in paragraph (1)(B) or (2)(B) of subsection
 11 (b), as the case may be.

12 “(b) *COVERED LEASES.*—This section applies to the
 13 following leases:

14 “(1) *LEASES OF PREMISES.*—A lease of premises
 15 occupied, or intended to be occupied, by a
 16 servicemember or a servicemember’s dependents for a
 17 residential, professional, business, agricultural, or
 18 similar purpose if—

19 “(A) the lease is executed by or on behalf of
 20 a person who thereafter and during the term of
 21 the lease enters military service; or

22 “(B) the servicemember, while in military
 23 service, executes the lease and thereafter receives
 24 military orders for a permanent change of sta-

1 *tion or to deploy with a military unit for a pe-*
 2 *riod of not less than 90 days.*

3 “(2) *LEASES OF MOTOR VEHICLES.*—*A lease of a*
 4 *motor vehicle used, or intended to be used, by a*
 5 *servicemember or a servicemember’s dependents for*
 6 *personal or business transportation if—*

7 “(A) *the lease is executed by or on behalf of*
 8 *a person who thereafter and during the term of*
 9 *the lease enters military service under a call or*
 10 *order specifying a period of not less than 180*
 11 *days (or who enters military service under a call*
 12 *or order specifying a period of 180 days or less*
 13 *and who, without a break in service, receives or-*
 14 *ders extending the period of military service to*
 15 *a period of not less than 180 days); or*

16 “(B) *the servicemember, while in military*
 17 *service, executes the lease and thereafter receives*
 18 *military orders for a permanent change of sta-*
 19 *tion outside of the continental United States or*
 20 *to deploy with a military unit for a period of*
 21 *not less than 180 days.*

22 “(c) *MANNER OF TERMINATION.*—

23 “(1) *IN GENERAL.*—*Termination of a lease under*
 24 *subsection (a) is made—*

1 “(A) by delivery by the lessee of written no-
 2 tice of such termination, and a copy of the
 3 servicemember’s military orders, to the lessor (or
 4 the lessor’s grantee), or to the lessor’s agent (or
 5 the agent’s grantee); and

6 “(B) in the case of a lease of a motor vehi-
 7 cle, by return of the motor vehicle by the lessee
 8 to the lessor (or the lessor’s grantee), or to the les-
 9 sor’s agent (or the agent’s grantee), not later
 10 than 15 days after the date of the delivery of
 11 written notice under subparagraph (A).

12 “(2) *DELIVERY OF NOTICE.*—Delivery of notice
 13 under paragraph (1)(A) may be accomplished—

14 “(A) by hand delivery;

15 “(B) by private business carrier; or

16 “(C) by placing the written notice in an en-
 17 velope with sufficient postage and with return
 18 receipt requested, and addressed as designated by
 19 the lessor (or the lessor’s grantee) or to the les-
 20 sor’s agent (or the agent’s grantee), and depos-
 21 iting the written notice in the United States
 22 mails.

23 “(d) *EFFECTIVE DATE OF LEASE TERMINATION.*—

24 “(1) *LEASE OF PREMISES.*—In the case of a
 25 lease described in subsection (b)(1) that provides for

1 *monthly payment of rent, termination of the lease*
2 *under subsection (a) is effective 30 days after the first*
3 *date on which the next rental payment is due and*
4 *payable after the date on which the notice under sub-*
5 *section (c) is delivered. In the case of any other lease*
6 *described in subsection (b)(1), termination of the lease*
7 *under subsection (a) is effective on the last day of the*
8 *month following the month in which the notice is de-*
9 *livered.*

10 “(2) *LEASE OF MOTOR VEHICLES.—In the case*
11 *of a lease described in subsection (b)(2), termination*
12 *of the lease under subsection (a) is effective on the day*
13 *on which the requirements of subsection (c) are met*
14 *for such termination.*

15 “(e) *ARREARAGES AND OTHER OBLIGATIONS AND LI-*
16 *ABILITIES.—Rents or lease amounts unpaid for the period*
17 *preceding the effective date of the lease termination shall*
18 *be paid on a prorated basis. In the case of the lease of a*
19 *motor vehicle, the lessor may not impose an early termi-*
20 *nation charge, but any taxes, summonses, and title and reg-*
21 *istration fees and any other obligation and liability of the*
22 *lessee in accordance with the terms of the lease, including*
23 *reasonable charges to the lessee for excess wear, use and*
24 *mileage, that are due and unpaid at the time of termination*
25 *of the lease shall be paid by the lessee.*

1 “(f) *RENT PAID IN ADVANCE.*—*Rents or lease amounts*
2 *paid in advance for a period after the effective date of the*
3 *termination of the lease shall be refunded to the lessee by*
4 *the lessor (or the lessor’s assignee or the assignee’s agent)*
5 *within 30 days of the effective date of the termination of*
6 *the lease.*

7 “(g) *RELIEF TO LESSOR.*—*Upon application by the*
8 *lessor to a court before the termination date provided in*
9 *the written notice, relief granted by this section to a*
10 *servicemember may be modified as justice and equity re-*
11 *quire.*

12 “(h) *PENALTIES.*—

13 “(1) *MISDEMEANOR.*—*Any person who know-*
14 *ingly seizes, holds, or detains the personal effects, se-*
15 *curity deposit, or other property of a servicemember*
16 *or a servicemember’s dependent who lawfully termi-*
17 *nates a lease covered by this section, or who know-*
18 *ingly interferes with the removal of such property*
19 *from premises covered by such lease, for the purpose*
20 *of subjecting or attempting to subject any of such*
21 *property to a claim for rent accruing subsequent to*
22 *the date of termination of such lease, or attempts to*
23 *do so, shall be fined as provided in title 18, United*
24 *States Code, or imprisoned for not more than one*
25 *year, or both.*

1 “(2) *PRESERVATION OF OTHER REMEDIES.*—The
 2 *remedy and rights provided under this section are in*
 3 *addition to and do not preclude any remedy for*
 4 *wrongful conversion otherwise available under law to*
 5 *the person claiming relief under this section, includ-*
 6 *ing any award for consequential or punitive damages.*

7 **“SEC. 306. PROTECTION OF LIFE INSURANCE POLICY.**

8 “(a) *ASSIGNMENT OF POLICY PROTECTED.*—If a life
 9 *insurance policy on the life of a servicemember is assigned*
 10 *before military service to secure the payment of an obliga-*
 11 *tion, the assignee of the policy (except the insurer in connec-*
 12 *tion with a policy loan) may not exercise, during a period*
 13 *of military service of the servicemember or within one year*
 14 *thereafter, any right or option obtained under the assign-*
 15 *ment without a court order.*

16 “(b) *EXCEPTION.*—The prohibition in subsection (a)
 17 *shall not apply—*

18 “(1) *if the assignee has the written consent of the*
 19 *insured made during the period described in sub-*
 20 *section (a);*

21 “(2) *when the premiums on the policy are due*
 22 *and unpaid; or*

23 “(3) *upon the death of the insured.*

24 “(c) *ORDER REFUSED BECAUSE OF MATERIAL AF-*
 25 *FECT.*—A court which receives an application for an order

1 *required under subsection (a) may refuse to grant such*
 2 *order if the court determines the ability of the*
 3 *servicemember to comply with the terms of the obligation*
 4 *is materially affected by military service.*

5 “(d) *TREATMENT OF GUARANTEED PREMIUMS.—For*
 6 *purposes of this subsection, premiums guaranteed under the*
 7 *provisions of title IV of this Act shall not be considered due*
 8 *and unpaid.*

9 “(e) *PENALTIES.—*

10 “(1) *MISDEMEANOR.—A person who knowingly*
 11 *takes an action contrary to this section, or attempts*
 12 *to do so, shall be fined as provided in title 18, United*
 13 *States Code, or imprisoned for not more than one*
 14 *year, or both.*

15 “(2) *PRESERVATION OF OTHER REMEDIES.—The*
 16 *remedy and rights provided under this section are in*
 17 *addition to and do not preclude any remedy for*
 18 *wrongful conversion otherwise available under law to*
 19 *the person claiming relief under this section, includ-*
 20 *ing any consequential or punitive damages.*

21 **“SEC. 307. ENFORCEMENT OF STORAGE LIENS.**

22 “(a) *LIENS.—*

23 “(1) *LIMITATION ON FORECLOSURE OR EN-*
 24 *FORCEMENT.—A person holding a lien on the prop-*
 25 *erty or effects of a servicemember may not, during*

1 *any period of military service of the servicemember*
 2 *and for 90 days thereafter, foreclose or enforce any*
 3 *lien on such property or effects without a court order*
 4 *granted before foreclosure or enforcement.*

5 *“(2) LIEN DEFINED.—For the purposes of para-*
 6 *graph (1), the term ‘lien’ includes a lien for storage,*
 7 *repair, or cleaning of the property or effects of a*
 8 *servicemember or a lien on such property or effects for*
 9 *any other reason.*

10 *“(b) STAY OF PROCEEDINGS.—In a proceeding to fore-*
 11 *close or enforce a lien subject to this section, the court may*
 12 *on its own motion, and shall if requested by a*
 13 *servicemember whose ability to comply with the obligation*
 14 *resulting in the proceeding is materially affected by mili-*
 15 *tary service—*

16 *“(1) stay the proceeding for a period of time as*
 17 *justice and equity require; or*

18 *“(2) adjust the obligation to preserve the inter-*
 19 *ests of all parties.*

20 *The provisions of this subsection do not affect the scope of*
 21 *section 303.*

22 *“(c) PENALTIES.—*

23 *“(1) MISDEMEANOR.—A person who knowingly*
 24 *takes an action contrary to this section, or attempts*
 25 *to do so, shall be fined as provided in title 18, United*

1 *States Code, or imprisoned for not more than one*
 2 *year, or both.*

3 “(2) *PRESERVATION OF OTHER REMEDIES.*—*The*
 4 *remedy and rights provided under this section are in*
 5 *addition to and do not preclude any remedy for*
 6 *wrongful conversion otherwise available under law to*
 7 *the person claiming relief under this section, includ-*
 8 *ing any consequential or punitive damages.*

9 **“SEC. 308. EXTENSION OF PROTECTIONS TO DEPENDENTS.**

10 *“Upon application to a court, a dependent of a*
 11 *servicemember is entitled to the protections of this title if*
 12 *the dependent’s ability to comply with a lease, contract,*
 13 *bailment, or other obligation is materially affected by rea-*
 14 *son of the servicemember’s military service.*

15 **“TITLE IV—LIFE INSURANCE**

16 **“SEC. 401. DEFINITIONS.**

17 *“For the purposes of this title:*

18 “(1) *POLICY.*—*The term ‘policy’ means any in-*
 19 *dividual contract for whole, endowment, universal, or*
 20 *term life insurance (other than group term life insur-*
 21 *ance coverage), including any benefit in the nature of*
 22 *such insurance arising out of membership in any fra-*
 23 *ternal or beneficial association which—*

24 *“(A) provides that the insurer may not—*

1 “(i) decrease the amount of coverage or
 2 require the payment of an additional
 3 amount as premiums if the insured engages
 4 in military service (except increases in pre-
 5 miums in individual term insurance based
 6 upon age); or

7 “(ii) limit or restrict coverage for any
 8 activity required by military service; and

9 “(B) is in force not less than 180 days be-
 10 fore the date of the insured’s entry into military
 11 service and at the time of application under this
 12 title.

13 “(2) *PREMIUM*.—The term ‘premium’ means the
 14 amount specified in an insurance policy to be paid
 15 to keep the policy in force.

16 “(3) *INSURED*.—The term ‘insured’ means a
 17 servicemember whose life is insured under a policy.

18 “(4) *INSURER*.—The term ‘insurer’ includes any
 19 firm, corporation, partnership, association, or busi-
 20 ness that is chartered or authorized to provide insur-
 21 ance and issue contracts or policies by the laws of a
 22 State or the United States.

23 **“SEC. 402. INSURANCE RIGHTS AND PROTECTIONS.**

24 “(a) *RIGHTS AND PROTECTIONS*.—The rights and pro-
 25 tections under this title apply to the insured when—

1 “(1) *the insured,*

2 “(2) *the insured’s legal representative, or*

3 “(3) *the insured’s beneficiary in the case of an*
4 *insured who is outside a State,*

5 *applies in writing for protection under this title, unless the*
6 *Secretary of Veterans Affairs determines that the insured’s*
7 *policy is not entitled to protection under this title.*

8 “(b) *NOTIFICATION AND APPLICATION.—The Secretary*
9 *of Veterans Affairs shall notify the Secretary concerned of*
10 *the procedures to be used to apply for the protections pro-*
11 *vided under this title. The applicant shall send the original*
12 *application to the insurer and a copy to the Secretary of*
13 *Veterans Affairs.*

14 “(c) *LIMITATION ON AMOUNT.—The total amount of*
15 *life insurance coverage protection provided by this title for*
16 *a servicemember may not exceed \$250,000, or an amount*
17 *equal to the Servicemember’s Group Life Insurance max-*
18 *imum limit, whichever is greater, regardless of the number*
19 *of policies submitted.*

20 **“SEC. 403. APPLICATION FOR INSURANCE PROTECTION.**

21 “(a) *APPLICATION PROCEDURE.—An application for*
22 *protection under this title shall—*

23 “(1) *be in writing and signed by the insured, the*
24 *insured’s legal representative, or the insured’s bene-*
25 *ficiary, as the case may be;*

1 “(2) identify the policy and the insurer; and

2 “(3) include an acknowledgement that the in-
3 sured’s rights under the policy are subject to and
4 modified by the provisions of this title.

5 “(b) *ADDITIONAL REQUIREMENTS.*—The Secretary of
6 Veterans Affairs may require additional information from
7 the applicant, the insured and the insurer to determine if
8 the policy is entitled to protection under this title.

9 “(c) *NOTICE TO THE SECRETARY BY THE INSURER.*—
10 Upon receipt of the application of the insured, the insurer
11 shall furnish a report concerning the policy to the Secretary
12 of Veterans Affairs as required by regulations prescribed by
13 the Secretary.

14 “(d) *POLICY MODIFICATION.*—Upon application for
15 protection under this title, the insured and the insurer shall
16 have constructively agreed to any policy modification nec-
17 essary to give this title full force and effect.

18 **“SEC. 404. POLICIES ENTITLED TO PROTECTION AND LAPSE**
19 **OF POLICIES.**

20 “(a) *DETERMINATION.*—The Secretary of Veterans Af-
21 fairs shall determine whether a policy is entitled to protec-
22 tion under this title and shall notify the insured and the
23 insurer of that determination.

24 “(b) *LAPSE PROTECTION.*—A policy that the Secretary
25 determines is entitled to protection under this title shall not

1 *lapse or otherwise terminate or be forfeited for the non-*
 2 *payment of a premium, or interest or indebtedness on a*
 3 *premium, after the date on which the application for protec-*
 4 *tion is received by the Secretary.*

5 “(c) *TIME APPLICATION.*—*The protection provided by*
 6 *this title applies during the insured’s period of military*
 7 *service and for a period of two years thereafter.*

8 **“SEC. 405. POLICY RESTRICTIONS.**

9 “(a) *DIVIDENDS.*—*While a policy is protected under*
 10 *this title, a dividend or other monetary benefit under a pol-*
 11 *icy may not be paid to an insured or used to purchase divi-*
 12 *dend additions without the approval of the Secretary of Vet-*
 13 *erans Affairs. If such approval is not obtained, the divi-*
 14 *dends or benefits shall be added to the value of the policy*
 15 *to be used as a credit when final settlement is made with*
 16 *the insurer.*

17 “(b) *SPECIFIC RESTRICTIONS.*—*While a policy is pro-*
 18 *tected under this title, cash value, loan value, withdrawal*
 19 *of dividend accumulation, unearned premiums, or other*
 20 *value of similar character may not be available to the in-*
 21 *sured without the approval of the Secretary. The right of*
 22 *the insured to change a beneficiary designation or select an*
 23 *optional settlement for a beneficiary shall not be affected*
 24 *by the provisions of this title.*

1 **“SEC. 406. DEDUCTION OF UNPAID PREMIUMS.**

2 “(a) *SETTLEMENT OF PROCEEDS.*—If a policy ma-
 3 tures as a result of a servicemember’s death or otherwise
 4 during the period of protection of the policy under this title,
 5 the insurer in making settlement shall deduct from the in-
 6 surance proceeds the amount of the unpaid premiums guar-
 7 anteed under this title, together with interest due at the rate
 8 fixed in the policy for policy loans.

9 “(b) *INTEREST RATE.*—If the interest rate is not spe-
 10 cifically fixed in the policy, the rate shall be the same as
 11 for policy loans in other policies issued by the insurer at
 12 the time the insured’s policy was issued.

13 “(c) *REPORTING REQUIREMENT.*—The amount de-
 14 ducted under this section, if any, shall be reported by the
 15 insurer to the Secretary of Veterans Affairs.

16 **“SEC. 407. PREMIUMS AND INTEREST GUARANTEED BY**
 17 **UNITED STATES.**

18 “(a) *GUARANTEE OF PREMIUMS AND INTEREST BY*
 19 *THE UNITED STATES.*—

20 “(1) *GUARANTEE.*—Payment of premiums, and
 21 interest on premiums at the rate specified in section
 22 406, which become due on a policy under the protec-
 23 tion of this title is guaranteed by the United States.
 24 If the amount guaranteed is not paid to the insurer
 25 before the period of insurance protection under this

1 *title expires, the amount due shall be treated by the*
 2 *insurer as a policy loan on the policy.*

3 “(2) *POLICY TERMINATION.*—*If, at the expiration*
 4 *of insurance protection under this title, the cash sur-*
 5 *render value of a policy is less than the amount due*
 6 *to pay premiums and interest on premiums on the*
 7 *policy, the policy shall terminate. Upon such termi-*
 8 *nation, the United States shall pay the insurer the*
 9 *difference between the amount due and the cash sur-*
 10 *render value.*

11 “(b) *RECOVERY FROM INSURED OF AMOUNTS PAID BY*
 12 *THE UNITED STATES.*—

13 “(1) *DEBT PAYABLE TO THE UNITED STATES.*—
 14 *The amount paid by the United States to an insurer*
 15 *under this title shall be a debt payable to the United*
 16 *States by the insured on whose policy payment was*
 17 *made.*

18 “(2) *COLLECTION.*—*Such amount may be col-*
 19 *lected by the United States, either as an offset from*
 20 *any amount due the insured by the United States or*
 21 *as otherwise authorized by law.*

22 “(3) *DEBT NOT DISCHARGEABLE IN BANK-*
 23 *RUPTCY.*—*Such debt payable to the United States is*
 24 *not dischargeable in bankruptcy proceedings.*

1 “(c) *CREDITING OF AMOUNTS RECOVERED.*—Any
 2 amounts received by the United States as repayment of
 3 debts incurred by an insured under this title shall be cred-
 4 ited to the appropriation for the payment of claims under
 5 this title.

6 **“SEC. 408. REGULATIONS.**

7 *“The Secretary of Veterans Affairs shall prescribe regu-*
 8 *lations for the implementation of this title.*

9 **“SEC. 409. REVIEW OF FINDINGS OF FACT AND CONCLU-**
 10 **SIONS OF LAW.**

11 *“The findings of fact and conclusions of law made by*
 12 *the Secretary of Veterans Affairs in administering this title*
 13 *are subject to review on appeal to the Board of Veterans’*
 14 *Appeals pursuant to chapter 71 of title 38, United States*
 15 *Code, and to judicial review only as provided in chapter*
 16 *72 of such title.*

17 **“TITLE V—TAXES AND PUBLIC**
 18 **LANDS**

19 **“SEC. 501. TAXES RESPECTING PERSONAL PROPERTY,**
 20 **MONEY, CREDITS, AND REAL PROPERTY.**

21 “(a) *APPLICATION.*—This section applies in any case
 22 in which a tax or assessment, whether general or special
 23 (other than a tax on personal income), falls due and re-
 24 mains unpaid before or during a period of military service
 25 with respect to a servicemember’s—

1 “(1) *personal property (including motor vehi-*
2 *cles); or*

3 “(2) *real property occupied for dwelling, profes-*
4 *sional, business, or agricultural purposes by a*
5 *servicemember or the servicemember’s dependents or*
6 *employees—*

7 “(A) *before the servicemember’s entry into*
8 *military service; and*

9 “(B) *during the time the tax or assessment*
10 *remains unpaid.*

11 “(b) *SALE OF PROPERTY.—*

12 “(1) *LIMITATION ON SALE OF PROPERTY TO EN-*
13 *FORCE TAX ASSESSMENT.—Property described in sub-*
14 *section (a) may not be sold to enforce the collection*
15 *of such tax or assessment except by court order and*
16 *upon the determination by the court that military*
17 *service does not materially affect the servicemember’s*
18 *ability to pay the unpaid tax or assessment.*

19 “(2) *STAY OF COURT PROCEEDINGS.—A court*
20 *may stay a proceeding to enforce the collection of such*
21 *tax or assessment, or sale of such property, during a*
22 *period of military service of the servicemember and*
23 *for a period not more than 180 days after the termi-*
24 *nation of, or release of the servicemember from, mili-*
25 *tary service.*

1 “(c) *REDEMPTION.*—When property described in sub-
 2 section (a) is sold or forfeited to enforce the collection of
 3 a tax or assessment, a servicemember shall have the right
 4 to redeem or commence an action to redeem the
 5 servicemember’s property during the period of military
 6 service or within 180 days after termination of or release
 7 from military service. This subsection may not be construed
 8 to shorten any period provided by the law of a State (in-
 9 cluding any political subdivision of a State) for redemp-
 10 tion.

11 “(d) *INTEREST ON TAX OR ASSESSMENT.*—Whenever
 12 a servicemember does not pay a tax or assessment on prop-
 13 erty described in subsection (a) when due, the amount of
 14 the tax or assessment due and unpaid shall bear interest
 15 until paid at the rate of 6 percent per year. An additional
 16 penalty or interest shall not be incurred by reason of non-
 17 payment. A lien for such unpaid tax or assessment may
 18 include interest under this subsection.

19 “(e) *JOINT OWNERSHIP APPLICATION.*—This section
 20 applies to all forms of property described in subsection (a)
 21 owned individually by a servicemember or jointly by a
 22 servicemember and a dependent or dependents.

23 **“SEC. 502. RIGHTS IN PUBLIC LANDS.**

24 “(a) *RIGHTS NOT FORFEITED.*—The rights of a
 25 servicemember to lands owned or controlled by the United

1 *States, and initiated or acquired by the servicemember*
 2 *under the laws of the United States (including the mining*
 3 *and mineral leasing laws) before military service, shall not*
 4 *be forfeited or prejudiced as a result of being absent from*
 5 *the land, or by failing to begin or complete any work or*
 6 *improvements to the land, during the period of military*
 7 *service.*

8 “(b) *TEMPORARY SUSPENSION OF PERMITS OR LI-*
 9 *CENSES.—If a permittee or licensee under the Act of June*
 10 *28, 1934 (43 U.S.C. 315 et seq.), enters military service,*
 11 *the permittee or licensee may suspend the permit or license*
 12 *for the period of military service and for 180 days after*
 13 *termination of or release from military service.*

14 “(c) *REGULATIONS.—Regulations prescribed by the*
 15 *Secretary of the Interior shall provide for such suspension*
 16 *of permits and licenses and for the remission, reduction,*
 17 *or refund of grazing fees during the period of such suspen-*
 18 *sion.*

19 **“SEC. 503. DESERT-LAND ENTRIES.**

20 “(a) *DESERT-LAND RIGHTS NOT FORFEITED.—A*
 21 *desert-land entry made or held under the desert-land laws*
 22 *before the entrance of the entryman or the entryman’s suc-*
 23 *cessor in interest into military service shall not be subject*
 24 *to contest or cancellation—*

1 “(1) for failure to expend any required amount
2 per acre per year in improvements upon the claim;

3 “(2) for failure to effect the reclamation of the
4 claim during the period the entryman or the
5 entryman’s successor in interest is in the military
6 service, or for 180 days after termination of or release
7 from military service; or

8 “(3) during any period of hospitalization or re-
9 habilitation due to an injury or disability incurred
10 in the line of duty.

11 *The time within which the entryman or claimant is re-*
12 *quired to make such expenditures and effect reclamation of*
13 *the land shall be exclusive of the time periods described in*
14 *paragraphs (2) and (3).*

15 “(b) *SERVICE-RELATED DISABILITY.*—*If an entryman*
16 *or claimant is honorably discharged and is unable to ac-*
17 *complish reclamation of, and payment for, desert land due*
18 *to a disability incurred in the line of duty, the entryman*
19 *or claimant may make proof without further reclamation*
20 *or payments, under regulations prescribed by the Secretary*
21 *of the Interior, and receive a patent for the land entered*
22 *or claimed.*

23 “(c) *FILING REQUIREMENT.*—*In order to obtain the*
24 *protection of this section, the entryman or claimant shall,*
25 *within 180 days after entry into military service, cause to*

1 *be filed in the land office of the district where the claim*
 2 *is situated a notice communicating the fact of military*
 3 *service and the desire to hold the claim under this section.*

4 **“SEC. 504. MINING CLAIMS.**

5 “(a) *REQUIREMENTS SUSPENDED.*—*The provisions of*
 6 *section 2324 of the Revised Statutes of the United States*
 7 *(30 U.S.C. 28) specified in subsection (b) shall not apply*
 8 *to a servicemember’s claims or interests in claims, regularly*
 9 *located and recorded, during a period of military service*
 10 *and 180 days thereafter, or during any period of hos-*
 11 *pitalization or rehabilitation due to injuries or disabilities*
 12 *incurred in the line of duty.*

13 “(b) *REQUIREMENTS.*—*The provisions in section 2324*
 14 *of the Revised Statutes that shall not apply under sub-*
 15 *section (a) are those which require that on each mining*
 16 *claim located after May 10, 1872, and until a patent has*
 17 *been issued for such claim, not less than \$100 worth of labor*
 18 *shall be performed or improvements made during each year.*

19 “(c) *PERIOD OF PROTECTION FROM FORFEITURE.*—
 20 *A mining claim or an interest in a claim owned by a*
 21 *servicemember that has been regularly located and recorded*
 22 *shall not be subject to forfeiture for nonperformance of an-*
 23 *nual assessments during the period of military service and*
 24 *for 180 days thereafter, or for any period of hospitalization*
 25 *or rehabilitation described in subsection (a).*

1 “(d) *FILING REQUIREMENT.*—In order to obtain the
 2 protections of this section, the claimant of a mining loca-
 3 tion shall, before the end of the assessment year in which
 4 military service is begun or within 60 days after the end
 5 of such assessment year, cause to be filed in the office where
 6 the location notice or certificate is recorded a notice commu-
 7 nicating the fact of military service and the desire to hold
 8 the mining claim under this section.

9 **“SEC. 505. MINERAL PERMITS AND LEASES.**

10 “(a) *SUSPENSION DURING MILITARY SERVICE.*—A
 11 person holding a permit or lease on the public domain
 12 under the Federal mineral leasing laws who enters military
 13 service may suspend all operations under the permit or
 14 lease for the duration of military service and for 180 days
 15 thereafter. The term of the permit or lease shall not run
 16 during the period of suspension, nor shall any rental or
 17 royalties be charged against the permit or lease during the
 18 period of suspension.

19 “(b) *NOTIFICATION.*—In order to obtain the protection
 20 of this section, the permittee or lessee shall, within 180 days
 21 after entry into military service, notify the Secretary of the
 22 Interior by registered mail of the fact that military service
 23 has begun and of the desire to hold the claim under this
 24 section.

1 “(c) *CONTRACT MODIFICATION.*—*This section shall not*
 2 *be construed to supersede the terms of any contract for oper-*
 3 *ation of a permit or lease.*

4 **“SEC. 506. PERFECTION OR DEFENSE OF RIGHTS.**

5 “(a) *RIGHT TO TAKE ACTION NOT AFFECTED.*—*This*
 6 *title shall not affect the right of a servicemember to take*
 7 *action during a period of military service that is authorized*
 8 *by law or regulations of the Department of the Interior,*
 9 *for the perfection, defense, or further assertion of rights ini-*
 10 *tiated or acquired before entering military service.*

11 “(b) *AFFIDAVITS AND PROOFS.*—

12 “(1) *IN GENERAL.*—*A servicemember during a*
 13 *period of military service may make any affidavit or*
 14 *submit any proof required by law, practice, or regula-*
 15 *tion of the Department of the Interior in connection*
 16 *with the entry, perfection, defense, or further assertion*
 17 *of rights initiated or acquired before entering mili-*
 18 *tary service before an officer authorized to provide no-*
 19 *tary services under section 1044a of title 10, United*
 20 *States Code, or any superior commissioned officer.*

21 “(2) *LEGAL STATUS OF AFFIDAVITS.*—*Such affi-*
 22 *davits shall be binding in law and subject to the same*
 23 *penalties as prescribed by section 1001 of title 18,*
 24 *United State Code.*

1 **“SEC. 507. DISTRIBUTION OF INFORMATION CONCERNING**
2 **BENEFITS OF TITLE.**

3 “(a) *DISTRIBUTION OF INFORMATION BY SECRETARY*
4 *CONCERNED.—The Secretary concerned shall issue to*
5 *servicemembers information explaining the provisions of*
6 *this title.*

7 “(b) *APPLICATION FORMS.—The Secretary concerned*
8 *shall provide application forms to servicemembers request-*
9 *ing relief under this title.*

10 “(c) *INFORMATION FROM SECRETARY OF THE INTE-*
11 *RIOR.—The Secretary of the Interior shall furnish to the*
12 *Secretary concerned information explaining the provisions*
13 *of this title (other than sections 501, 510, and 511) and*
14 *related application forms.*

15 **“SEC. 508. LAND RIGHTS OF SERVICEMEMBERS.**

16 “(a) *NO AGE LIMITATIONS.—Any servicemember*
17 *under the age of 21 in military service shall be entitled to*
18 *the same rights under the laws relating to lands owned or*
19 *controlled by the United States, including mining and min-*
20 *eral leasing laws, as those servicemembers who are 21 years*
21 *of age.*

22 “(b) *RESIDENCY REQUIREMENT.—Any requirement*
23 *related to the establishment of a residence within a limited*
24 *time shall be suspended as to entry by a servicemember in*
25 *military service until 180 days after termination of or re-*
26 *lease from military service.*

1 “(c) *ENTRY APPLICATIONS.*—Applications for entry
 2 may be verified before a person authorized to administer
 3 oaths under section 1044a of title 10, United States Code,
 4 or under the laws of the State where the land is situated.

5 **“SEC. 509. REGULATIONS.**

6 “The Secretary of the Interior may issue regulations
 7 necessary to carry out this title (other than sections 501,
 8 510, and 511).

9 **“SEC. 510. INCOME TAXES.**

10 “(a) *DEFERRAL OF TAX.*—Upon notice to the Internal
 11 Revenue Service or the tax authority of a State or a polit-
 12 ical subdivision of a State, the collection of income tax on
 13 the income of a servicemember falling due before or during
 14 military service shall be deferred for a period not more than
 15 180 days after termination of or release from military serv-
 16 ice, if a servicemember’s ability to pay such income tax is
 17 materially affected by military service.

18 “(b) *ACCRUAL OF INTEREST OR PENALTY.*—No inter-
 19 est or penalty shall accrue for the period of deferment by
 20 reason of nonpayment on any amount of tax deferred under
 21 this section.

22 “(c) *STATUTE OF LIMITATIONS.*—The running of a
 23 statute of limitations against the collection of tax deferred
 24 under this section, by seizure or otherwise, shall be sus-
 25 pended for the period of military service of the

1 *servicemember and for an additional period of 270 days*
 2 *thereafter.*

3 “(d) *APPLICATION LIMITATION.*—*This section shall not*
 4 *apply to the tax imposed on employees by section 3101 of*
 5 *the Internal Revenue Code of 1986.*

6 **“SEC. 511. RESIDENCE FOR TAX PURPOSES.**

7 “(a) *RESIDENCE OR DOMICILE.*—*A servicemember*
 8 *shall neither lose nor acquire a residence or domicile for*
 9 *purposes of taxation with respect to the person, personal*
 10 *property, or income of the servicemember by reason of being*
 11 *absent or present in any tax jurisdiction of the United*
 12 *States solely in compliance with military orders.*

13 “(b) *MILITARY SERVICE COMPENSATION.*—*Compensa-*
 14 *tion of a servicemember for military service shall not be*
 15 *deemed to be income for services performed or from sources*
 16 *within a tax jurisdiction of the United States if the*
 17 *servicemember is not a resident or domiciliary of the juris-*
 18 *diction in which the servicemember is serving in compliance*
 19 *with military orders.*

20 “(c) *PERSONAL PROPERTY.*—

21 “(1) *RELIEF FROM PERSONAL PROPERTY*
 22 *TAXES.*—*The personal property of a servicemember*
 23 *shall not be deemed to be located or present in, or to*
 24 *have a situs for taxation in, the tax jurisdiction in*

1 *which the servicemember is serving in compliance*
 2 *with military orders.*

3 “(2) *EXCEPTION FOR PROPERTY WITHIN MEM-*
 4 *BER’S DOMICILE OR RESIDENCE.—This subsection ap-*
 5 *plies to personal property or its use within any tax*
 6 *jurisdiction other than the servicemember’s domicile*
 7 *or residence.*

8 “(3) *EXCEPTION FOR PROPERTY USED IN TRADE*
 9 *OR BUSINESS.—This section does not prevent taxation*
 10 *by a tax jurisdiction with respect to personal prop-*
 11 *erty used in or arising from a trade or business, if*
 12 *it has jurisdiction.*

13 “(4) *RELATIONSHIP TO LAW OF STATE OF DOMI-*
 14 *CILE.—Eligibility for relief from personal property*
 15 *taxes under this subsection is not contingent on*
 16 *whether or not such taxes are paid to the State of*
 17 *domicile.*

18 “(d) *INCREASE OF TAX LIABILITY.—A tax jurisdiction*
 19 *may not use the military compensation of a nonresident*
 20 *servicemember to increase the tax liability imposed on other*
 21 *income earned by the nonresident servicemember or spouse*
 22 *subject to tax by the jurisdiction.*

23 “(e) *FEDERAL INDIAN RESERVATIONS.—An Indian*
 24 *servicemember whose legal residence or domicile is a Fed-*
 25 *eral Indian reservation shall be taxed by the laws applicable*

1 *to Federal Indian reservations and not the State where the*
 2 *reservation is located.*

3 “(f) *DEFINITIONS.*—*For purposes of this section:*

4 “(1) *PERSONAL PROPERTY.*—*The term ‘personal*
 5 *property’ means intangible and tangible property (in-*
 6 *cluding motor vehicles).*

7 “(2) *TAXATION.*—*The term ‘taxation’ includes li-*
 8 *censes, fees, or excises imposed with respect to motor*
 9 *vehicles and their use, if the license, fee, or excise is*
 10 *paid by the servicemember in the servicemember’s*
 11 *State of domicile or residence.*

12 “(3) *TAX JURISDICTION.*—*The term ‘tax jurisdic-*
 13 *tion’ means a State or a political subdivision of a*
 14 *State.*

15 **“TITLE VI—ADMINISTRATIVE** 16 **REMEDIES**

17 **“SEC. 601. INAPPROPRIATE USE OF ACT.**

18 “*If a court determines, in any proceeding to enforce*
 19 *a civil right, that any interest, property, or contract has*
 20 *been transferred or acquired with the intent to delay the*
 21 *just enforcement of such right by taking advantage of this*
 22 *Act, the court shall enter such judgment or make such order*
 23 *as might lawfully be entered or made concerning such trans-*
 24 *fer or acquisition.*

1 **“SEC. 602. CERTIFICATES OF SERVICE; PERSONS REPORTED**
 2 **MISSING.**

3 “(a) *PRIMA FACIE EVIDENCE.*—*In any proceeding*
 4 *under this Act, a certificate signed by the Secretary con-*
 5 *cerned is prima facie evidence as to any of the following*
 6 *facts stated in the certificate:*

7 “(1) *That a person named is, is not, has been,*
 8 *or has not been in military service.*

9 “(2) *The time and the place the person entered*
 10 *military service.*

11 “(3) *The person’s residence at the time the per-*
 12 *son entered military service.*

13 “(4) *The rank, branch, and unit of military*
 14 *service of the person upon entry.*

15 “(5) *The inclusive dates of the person’s military*
 16 *service.*

17 “(6) *The monthly pay received by the person at*
 18 *the date of the certificate’s issuance.*

19 “(7) *The time and place of the person’s termi-*
 20 *nation of or release from military service, or the per-*
 21 *son’s death during military service.*

22 “(b) *CERTIFICATES.*—*The Secretary concerned shall*
 23 *furnish a certificate under subsection (a) upon receipt of*
 24 *an application for such a certificate. A certificate appear-*
 25 *ing to be signed by the Secretary concerned is prima facie*

1 *evidence of its contents and of the signer's authority to issue*
 2 *it.*

3 “(c) *TREATMENT OF SERVICEMEMBERS IN MISSING*
 4 *STATUS.*—A servicemember who has been reported missing
 5 *is presumed to continue in service until accounted for. A*
 6 *requirement under this Act that begins or ends with the*
 7 *death of a servicemember does not begin or end until the*
 8 *servicemember's death is reported to, or determined by, the*
 9 *Secretary concerned or by a court of competent jurisdiction.*

10 **“SEC. 603. INTERLOCUTORY ORDERS.**

11 *“An interlocutory order issued by a court under this*
 12 *Act may be revoked, modified, or extended by that court*
 13 *upon its own motion or otherwise, upon notification to af-*
 14 *fected parties as required by the court.*

15 **“TITLE VII—FURTHER RELIEF**

16 **“SEC. 701. ANTICIPATORY RELIEF.**

17 “(a) *APPLICATION FOR RELIEF.*—A servicemember
 18 *may, during military service or within 180 days of termi-*
 19 *nation of or release from military service, apply to a court*
 20 *for relief—*

21 *“(1) from any obligation or liability incurred by*
 22 *the servicemember before the servicemember's military*
 23 *service; or*

24 *“(2) from a tax or assessment falling due before*
 25 *or during the servicemember's military service.*

1 “(b) *TAX LIABILITY OR ASSESSMENT.*—*In a case cov-*
 2 *ered by subsection (a), the court may, if the ability of the*
 3 *servicemember to comply with the terms of such obligation*
 4 *or liability or pay such tax or assessment has been materi-*
 5 *ally affected by reason of military service, after appropriate*
 6 *notice and hearing, grant the following relief:*

7 “(1) *STAY OF ENFORCEMENT OF REAL ESTATE*
 8 *CONTRACTS.*—

9 “(A) *In the case of an obligation payable in*
 10 *installments under a contract for the purchase of*
 11 *real estate, or secured by a mortgage or other in-*
 12 *strument in the nature of a mortgage upon real*
 13 *estate, the court may grant a stay of the enforce-*
 14 *ment of the obligation—*

15 “(i) *during the servicemember’s period*
 16 *of military service; and*

17 “(ii) *from the date of termination of or*
 18 *release from military service, or from the*
 19 *date of application if made after termi-*
 20 *nation of or release from military service.*

21 “(B) *Any stay under this paragraph shall*
 22 *be—*

23 “(i) *for a period equal to the remain-*
 24 *ing life of the installment contract or other*
 25 *instrument, plus a period of time equal to*

1 *the period of military service of the*
 2 *servicemember, or any part of such com-*
 3 *bined period; and*

4 “(ii) *subject to payment of the balance*
 5 *of the principal and accumulated interest*
 6 *due and unpaid at the date of termination*
 7 *or release from the applicant’s military*
 8 *service or from the date of application in*
 9 *equal installments during the combined pe-*
 10 *riod at the rate of interest on the unpaid*
 11 *balance prescribed in the contract or other*
 12 *instrument evidencing the obligation, and*
 13 *subject to other terms as may be equitable.*

14 “(2) *STAY OF ENFORCEMENT OF OTHER CON-*
 15 *TRACTS.—*

16 “(A) *In the case of any other obligation, li-*
 17 *ability, tax, or assessment, the court may grant*
 18 *a stay of enforcement—*

19 “(i) *during the servicemember’s mili-*
 20 *tary service; and*

21 “(ii) *from the date of termination of or*
 22 *release from military service, or from the*
 23 *date of application if made after termi-*
 24 *nation or release from military service.*

1 “(B) *Any stay under this paragraph shall*
 2 *be—*

3 “(i) *for a period of time equal to the*
 4 *period of the servicemember’s military serv-*
 5 *ice or any part of such period; and*

6 “(ii) *subject to payment of the balance*
 7 *of principal and accumulated interest due*
 8 *and unpaid at the date of termination or*
 9 *release from military service, or the date of*
 10 *application, in equal periodic installments*
 11 *during this extended period at the rate of*
 12 *interest as may be prescribed for this obli-*
 13 *gation, liability, tax, or assessment, if paid*
 14 *when due, and subject to other terms as*
 15 *may be equitable.*

16 “(c) *AFFECT OF STAY ON FINE OR PENALTY.—When*
 17 *a court grants a stay under this section, a fine or penalty*
 18 *shall not accrue on the obligation, liability, tax, or assess-*
 19 *ment for the period of compliance with the terms and condi-*
 20 *tions of the stay.*

21 **“SEC. 702. POWER OF ATTORNEY.**

22 “(a) *AUTOMATIC EXTENSION.—A power of attorney of*
 23 *a servicemember shall be automatically extended for the pe-*
 24 *riod the servicemember is in a missing status (as defined*

1 *in section 551(2) of title 37, United States Code) if the*
 2 *power of attorney—*

3 “(1) *was duly executed by the servicemember—*

4 “(A) *while in military service; or*

5 “(B) *before entry into military service but*
 6 *after the servicemember—*

7 “(i) *received a call or order to report*
 8 *for military service; or*

9 “(ii) *was notified by an official of the*
 10 *Department of Defense that the person could*
 11 *receive a call or order to report for military*
 12 *service;*

13 “(2) *designates the servicemember’s spouse, par-*
 14 *ent, or other named relative as the servicemember’s*
 15 *attorney in fact for certain, specified, or all purposes;*
 16 *and*

17 “(3) *expires by its terms after the servicemember*
 18 *entered a missing status.*

19 “(b) *LIMITATION ON POWER OF ATTORNEY EXTEN-*
 20 *SION.—A power of attorney executed by a servicemember*
 21 *may not be extended under subsection (a) if the document*
 22 *by its terms clearly indicates that the power granted expires*
 23 *on the date specified even though the servicemember, after*
 24 *the date of execution of the document, enters a missing sta-*
 25 *tus.*

1 **“SEC. 703. PROFESSIONAL LIABILITY PROTECTION.**

2 “(a) *APPLICABILITY.*—*This section applies to a*
3 *servicemember who—*

4 “(1) *after July 31, 1990, is ordered to active*
5 *duty (other than for training) pursuant to sections*
6 *688, 12301(a), 12301(g), 12302, 12304, 12306, or*
7 *12307 of title 10, United States Code, or who is or-*
8 *dered to active duty under section 12301(d) of such*
9 *title during a period when members are on active*
10 *duty pursuant to any of the preceding sections; and*

11 “(2) *immediately before receiving the order to ac-*
12 *tive duty—*

13 “(A) *was engaged in the furnishing of*
14 *health-care or legal services or other services de-*
15 *termined by the Secretary of Defense to be pro-*
16 *fessional services; and*

17 “(B) *had in effect a professional liability*
18 *insurance policy that does not continue to cover*
19 *claims filed with respect to the servicemember*
20 *during the period of the servicemember’s active*
21 *duty unless the premiums are paid for such cov-*
22 *erage for such period.*

23 “(b) *SUSPENSION OF COVERAGE.*—

24 “(1) *SUSPENSION.*—*Coverage of a servicemember*
25 *referred to in subsection (a) by a professional liability*
26 *insurance policy shall be suspended by the insurance*

1 *carrier in accordance with this subsection upon re-*
 2 *ceipt of a written request from the servicemember by*
 3 *the insurance carrier.*

4 *“(2) PREMIUMS FOR SUSPENDED CONTRACTS.—*
 5 *A professional liability insurance carrier—*

6 *“(A) may not require that premiums be*
 7 *paid by or on behalf of a servicemember for any*
 8 *professional liability insurance coverage sus-*
 9 *pended pursuant to paragraph (1); and*

10 *“(B) shall refund any amount paid for cov-*
 11 *erage for the period of such suspension or, upon*
 12 *the election of such servicemember, apply such*
 13 *amount for the payment of any premium becom-*
 14 *ing due upon the reinstatement of such coverage.*

15 *“(3) NONLIABILITY OF CARRIER DURING SUSPEN-*
 16 *SION.—A professional liability insurance carrier shall*
 17 *not be liable with respect to any claim that is based*
 18 *on professional conduct (including any failure to take*
 19 *any action in a professional capacity) of a*
 20 *servicemember that occurs during a period of suspen-*
 21 *sion of that servicemember’s professional liability in-*
 22 *surance under this subsection.*

23 *“(4) CERTAIN CLAIMS CONSIDERED TO ARISE*
 24 *BEFORE SUSPENSION.—For the purposes of para-*
 25 *graph (3), a claim based upon the failure of a profes-*

1 sional to make adequate provision for a patient, cli-
2 ent, or other person to receive professional services or
3 other assistance during the period of the professional's
4 active duty service shall be considered to be based on
5 an action or failure to take action before the begin-
6 ning of the period of the suspension of professional li-
7 ability insurance under this subsection, except in a
8 case in which professional services were provided after
9 the date of the beginning of such period.

10 “(c) *REINSTATEMENT OF COVERAGE.*—

11 “(1) *REINSTATEMENT REQUIRED.*—Professional
12 liability insurance coverage suspended in the case of
13 any servicemember pursuant to subsection (b) shall be
14 reinstated by the insurance carrier on the date on
15 which that servicemember transmits to the insurance
16 carrier a written request for reinstatement.

17 “(2) *TIME AND PREMIUM FOR REINSTATE-*
18 *MENT.*—The request of a servicemember for reinstatement
19 shall be effective only if the servicemember
20 transmits the request to the insurance carrier within
21 30 days after the date on which the servicemember is
22 released from active duty. The insurance carrier shall
23 notify the servicemember of the due date for payment
24 of the premium of such insurance. Such premium

1 *shall be paid by the servicemember within 30 days*
2 *after receipt of that notice.*

3 “(3) *PERIOD OF REINSTATED COVERAGE.*—*The*
4 *period for which professional liability insurance cov-*
5 *erage shall be reinstated for a servicemember under*
6 *this subsection may not be less than the balance of the*
7 *period for which coverage would have continued under*
8 *the insurance policy if the coverage had not been sus-*
9 *pended.*

10 “(d) *INCREASE IN PREMIUM.*—

11 “(1) *LIMITATION ON PREMIUM INCREASES.*—*An*
12 *insurance carrier may not increase the amount of the*
13 *premium charged for professional liability insurance*
14 *coverage of any servicemember for the minimum pe-*
15 *riod of the reinstatement of such coverage required*
16 *under subsection (c)(3) to an amount greater than the*
17 *amount chargeable for such coverage for such period*
18 *before the suspension.*

19 “(2) *EXCEPTION.*—*Paragraph (1) does not pre-*
20 *vent an increase in premium to the extent of any gen-*
21 *eral increase in the premiums charged by that carrier*
22 *for the same professional liability coverage for persons*
23 *similarly covered by such insurance during the period*
24 *of the suspension.*

1 “(e) *CONTINUATION OF COVERAGE OF UNAFFECTED*
 2 *PERSONS.*—*This section does not—*

3 “(1) *require a suspension of professional liability*
 4 *insurance protection for any person who is not a per-*
 5 *son referred to in subsection (a) and who is covered*
 6 *by the same professional liability insurance as a per-*
 7 *son referred to in such subsection; or*

8 “(2) *relieve any person of the obligation to pay*
 9 *premiums for the coverage not required to be sus-*
 10 *pended.*

11 “(f) *STAY OF CIVIL OR ADMINISTRATIVE ACTIONS.*—

12 “(1) *STAY OF ACTIONS.*—*A civil or administra-*
 13 *tive action for damages on the basis of the alleged*
 14 *professional negligence or other professional liability*
 15 *of a servicemember whose professional liability insur-*
 16 *ance coverage has been suspended under subsection (b)*
 17 *shall be stayed until the end of the period of the sus-*
 18 *pension if—*

19 “(A) *the action was commenced during the*
 20 *period of the suspension;*

21 “(B) *the action is based on an act or omis-*
 22 *sion that occurred before the date on which the*
 23 *suspension became effective; and*

24 “(C) *the suspended professional liability in-*
 25 *surance would, except for the suspension, on its*

1 *face cover the alleged professional negligence or*
 2 *other professional liability negligence or other*
 3 *professional liability of the servicemember.*

4 “(2) *DATE OF COMMENCEMENT OF ACTION.*—

5 *Whenever a civil or administrative action for dam-*
 6 *ages is stayed under paragraph (1) in the case of any*
 7 *servicemember, the action shall have been deemed to*
 8 *have been filed on the date on which the professional*
 9 *liability insurance coverage of the servicemember is*
 10 *reinstated under subsection (c).*

11 “(g) *EFFECT OF SUSPENSION UPON LIMITATIONS PE-*

12 *RIOD.*—*In the case of a civil or administrative action for*
 13 *which a stay could have been granted under subsection (f)*
 14 *by reason of the suspension of professional liability insur-*
 15 *ance coverage of the defendant under this section, the period*
 16 *of the suspension of the coverage shall be excluded from the*
 17 *computation of any statutory period of limitation on the*
 18 *commencement of such action.*

19 “(h) *DEATH DURING PERIOD OF SUSPENSION.*—*If a*

20 *servicemember whose professional liability insurance cov-*
 21 *erage is suspended under subsection (b) dies during the pe-*
 22 *riod of the suspension—*

23 “(1) *the requirement for the grant or continu-*
 24 *ance of a stay in any civil or administrative action*
 25 *against such servicemember under subsection (f)(1)*

1 *shall terminate on the date of the death of such*
 2 *servicemember; and*

3 “(2) *the carrier of the professional liability in-*
 4 *surance so suspended shall be liable for any claim for*
 5 *damages for professional negligence or other profes-*
 6 *sional liability of the deceased servicemember in the*
 7 *same manner and to the same extent as such carrier*
 8 *would be liable if the servicemember had died while*
 9 *covered by such insurance but before the claim was*
 10 *filed.*

11 “(i) *DEFINITIONS.—For purposes of this section:*

12 “(1) *ACTIVE DUTY.—The term ‘active duty’ has*
 13 *the meaning given that term in section 101(d)(1) of*
 14 *title 10, United States Code.*

15 “(2) *PROFESSION.—The term ‘profession’ in-*
 16 *cludes occupation.*

17 “(3) *PROFESSIONAL.—The term ‘professional’*
 18 *includes occupational.*

19 **“SEC. 704. HEALTH INSURANCE REINSTATEMENT.**

20 “(a) *REINSTATEMENT OF HEALTH INSURANCE.—A*
 21 *servicemember who, by reason of military service as defined*
 22 *in section 703(a)(1), is entitled to the rights and protections*
 23 *of this Act shall also be entitled upon termination or release*
 24 *from such service to reinstatement of any health insurance*
 25 *that—*

1 “(1) *was in effect on the day before such service*
2 *commenced; and*

3 “(2) *was terminated effective on a date during*
4 *the period of such service.*

5 “(b) *NO EXCLUSION OR WAITING PERIOD.—The rein-*
6 *statement of health care insurance coverage for the health*
7 *or physical condition of a servicemember described in sub-*
8 *section (a), or any other person who is covered by the insur-*
9 *ance by reason of the coverage of the servicemember, shall*
10 *not be subject to an exclusion or a waiting period, if—*

11 “(1) *the condition arose before or during the pe-*
12 *riod of such service;*

13 “(2) *an exclusion or a waiting period would not*
14 *have been imposed for the condition during the period*
15 *of coverage; and*

16 “(3) *if the condition relates to the servicemember,*
17 *the condition has not been determined by the Sec-*
18 *retary of Veterans Affairs to be a disability incurred*
19 *or aggravated in the line of duty (within the meaning*
20 *of section 105 of title 38, United States Code).*

21 “(c) *EXCEPTIONS.—Subsection (a) does not apply to*
22 *a servicemember entitled to participate in employer-offered*
23 *insurance benefits pursuant to the provisions of chapter 43*
24 *of title 38, United States Code.*

1 “(d) *TIME FOR APPLYING FOR REINSTATEMENT.*—An
 2 application under this section must be filed not later than
 3 120 days after the date of the termination of or release from
 4 military service.

5 **“SEC. 705. GUARANTEE OF RESIDENCY FOR MILITARY PER-**
 6 **SONNEL.**

7 “*For the purposes of voting for any Federal office (as*
 8 *defined in section 301 of the Federal Election Campaign*
 9 *Act of 1971 (2 U.S.C. 431)) or a State or local office, a*
 10 *person who is absent from a State in compliance with mili-*
 11 *tary or naval orders shall not, solely by reason of that ab-*
 12 *sence—*

13 “(1) *be deemed to have lost a residence or domi-*
 14 *cile in that State, without regard to whether or not*
 15 *the person intends to return to that State;*

16 “(2) *be deemed to have acquired a residence or*
 17 *domicile in any other State; or*

18 “(3) *be deemed to have become a resident in or*
 19 *a resident of any other State.*

20 **“SEC. 706. BUSINESS OR TRADE OBLIGATIONS.**

21 “(a) *AVAILABILITY OF NON-BUSINESS ASSETS TO*
 22 *SATISFY OBLIGATIONS.*—*If the trade or business (without*
 23 *regard to the form in which such trade or business is carried*
 24 *out) of a servicemember has an obligation or liability for*
 25 *which the servicemember is personally liable, the assets of*

1 *the servicemember not held in connection with the trade or*
 2 *business may not be available for satisfaction of the obliga-*
 3 *tion or liability during the servicemember's military serv-*
 4 *ice.*

5 “(b) *RELIEF TO OBLIGORS.*—Upon application to a
 6 court by the holder of an obligation or liability covered by
 7 this section, relief granted by this section to a
 8 servicemember may be modified as justice and equity re-
 9 quire.”.

10 **SEC. 2. CONFORMING AMENDMENTS.**

11 (a) *MILITARY SELECTIVE SERVICE ACT.*—Section 14
 12 of the Military Selective Service Act (50 U.S.C. App. 464)
 13 is repealed.

14 (b) *TITLE 5, UNITED STATES CODE.*—

15 (1) Section 5520a(k)(2)(A) of title 5, United
 16 States Code, is amended by striking “Soldiers’ and
 17 Sailors’ Civil Relief Act of 1940” and inserting
 18 “Servicemembers Civil Relief Act”; and

19 (2) Section 5569(e) of title 5, United States
 20 Code, is amended—

21 (A) in paragraph (1), by striking “provided
 22 by the Soldiers’ and Sailors’ Civil Relief Act of
 23 1940” and all that follows through “of such Act”
 24 and inserting “provided by the Servicemembers
 25 Civil Relief Act, including the benefits provided

1 *by section 702 of such Act but excluding the ben-*
 2 *efits provided by sections 104, 105, and 106, title*
 3 *IV, and title V (other than sections 501 and 510)*
 4 *of such Act”; and*

5 *(B) in paragraph (2)(A), by striking “per-*
 6 *son in the military service” and inserting*
 7 *“servicemember”.*

8 *(c) TITLE 10, UNITED STATES CODE.—Section*
 9 *1408(b)(1)(D) of title 10, United States Code, is amended*
 10 *by striking “Soldiers’ and Sailors’ Civil Relief Act of 1940”*
 11 *and inserting “Servicemembers Civil Relief Act”.*

12 *(d) INTERNAL REVENUE CODE.—Section 7654(d)(1) of*
 13 *the Internal Revenue Code of 1986 is amended by striking*
 14 *“Soldiers’ and Sailors’ Civil Relief Act” and inserting*
 15 *“Servicemembers Civil Relief Act”.*

16 *(e) PUBLIC HEALTH SERVICE ACT.—Section 212(e) of*
 17 *the Public Health Service Act (42 U.S.C. 213(e)) is amend-*
 18 *ed by striking “Soldiers’ and Sailors’ Civil Relief Act of*
 19 *1940” and inserting “Servicemembers Civil Relief Act”.*

20 *(f) ELEMENTARY AND SECONDARY EDUCATION ACT OF*
 21 *1965.—Section 8001 of the Elementary and Secondary*
 22 *Education Act of 1965 (20 U.S.C. 7701) is amended by*
 23 *striking “section 514 of the Soldiers’ and Sailors’ Civil Re-*
 24 *lief Act of 1940 (50 U.S.C. App. 574)” in the matter pre-*

1 ceding paragraph (1) and inserting “section 511 of the
2 Servicemembers Civil Relief Act”.

3 (g) NOAA COMMISSIONED OFFICER CORPS ACT OF
4 2002.—Section 262(a)(2) of National Oceanic and Atmos-
5 pheric Administration Commissioned Officer Corps Act of
6 2002 (33 U.S.C. 3072(a)(2)) is amended to read as follows:

7 “(2) The Servicemembers Civil Relief Act.”.

8 **SEC. 3. EFFECTIVE DATE.**

9 The amendment made by section 1 shall apply to any
10 case that is not final before the date of the enactment of
11 this Act.

Calendar No. 393

108TH CONGRESS
1ST SESSION

S. 1136

[Report No. 108–197]

A BILL

To restate, clarify, and revise the Soldiers' and
Sailors' Civil Relief Act of 1940.

NOVEMBER 17, 2003

Reported with an amendment